



DAILY REPORT

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EUROPE WELCOMES SOVIET DISARMAMENT PROPOSALS

HK080839 Beijing RENMIN RIBAO in Chinese 8 Mar 87 p 6

[Commentary by correspondent Jiang Jianguo (3068 1696 0948): "Risk and Opportunity -- Western European Reaction to the New Soviet Disarmament Proposal"]

[Text] Soviet leader Gorbachev's proposal on resolving as a single issue the question of reducing medium-range missiles deployed in Europe by the United States and the Soviet Union opens up for the first time a prospect for the long-debated "zero option" to become reality. In the past few days, a variety of views on this matter have been coming from political, military, and media circles in a number of major Western European countries, guessing at Soviet intentions and studying their consequences. Generally speaking, there is hope mixed with anxiety and optimism tinged with unease.

The major Western European countries have basically welcomed this breakthrough in U.S.-Soviet disarmament, holding that by openly resolving as a single issue the question of medium-range missiles, the Soviet Union has removed a major stumbling block on the road of East-West disarmament. However, there are marked differences in the reactions of various countries. The West German attitude is relatively positive, the French is notably reserved, and the British has expressed "cautious optimism". West German Foreign Minister Genscher holds that in implementing its twin-track resolution, NATO has expressed the hope that the goal of the complete dismantling of medium-range missiles be reached through negotiations, and this opportunity has come.

The initial reaction in Paris was to reject the "zero option," on the grounds that "considering the situation regarding conventional and chemical weapons in Europe," Europe could not follow the path of "denuclearization." France believes that the Soviet Union has superiority in the field of short-range missiles, which is unfavorable for the West, and so the Soviet proposal is not particularly "attractive." After Foreign Minister Genscher talked by telephone with French Foreign Minister Raimond, he told foreign diplomats that France had no objections to the "zero option," it was just that France attached more importance than other NATO countries to the question of short-range missiles. However, Paris still has various reservations and continues to oppose the denuclearization of Western Europe.

This French role as ringer of the alarm bell in Western Europe is looked on with favor by West German media and Western European military circles. An editorial in the influential "DIE WELT" said that even if the "zero option" was attained, there would be little reduction in the Soviet threat to Western Europe, since it holds superiority in strategic, theater, and tactical nuclear weapons. "FRANKFURTER ALLGEMEINE ZEITUNG" said in an analysis that the political significance of the Soviet SS-20's and the U.S. Pershing-II's and cruise missiles could not be placed on a par. The SS-20 missiles represent a move taken without sufficient political consideration at a time when the Soviet Union already has enough military power to threaten Western Europe, and in fact is "overkill." If the "zero option" is attained, there will be no fundamental change in this Soviet threat to Western Europe, whereas Western Europe's counterthreat measures will no longer exist. NATO's flexible response strategy will be lacking a link in the chain from East of the Rhine to west of the Soviet border.

Observers here hold that the differences among the Western European countries reflect the similarities and differences among them in the new situation. West Germany occupies a sensitive position in Western Europe, and an improvement in the "climate" of East-West relations is beneficial to strengthening West Germany's position in those relations and also for the further development of her own relations. For some time, West Germany has been very interested in the changes in Soviet foreign and domestic policies, and has repeatedly expressed its desire to improve ties with the Soviet Union. France, for its part, possesses an independent nuclear force, and its room for maneuver in foreign affairs is greater than West Germany's. Hence it views the new Soviet proposal from a somewhat different angle than West Germany. According to reports, the main French concern is that if an agreement on medium-range missiles comes into effect, France's independent nuclear force will come under pressure from the Soviet disarmament offensive. France believes that Gorbachev's proposal on short-range nuclear missiles accords with West Germany's interests but not with those of France's security.

The Geneva talks have now entered the key stage, and both the U.S. and Soviet plans have been tabled. The question of verification of the dismantling of medium-range missiles and the question of subsequent talks on short-range missiles are becoming more and more conspicuous. It is held that the next 3 or 4 months will mark the final stage of talks on medium-range missiles. As for Western Europe's worries, the United States has guaranteed that its "nuclear protective umbrella" for Western Europe will still exist, because the United States also has land-based and sea-based nuclear weapons as well as nuclear bombers deployed in Britain. The Soviet Union has stated that the question of verification can be resolved. However, it remains to be seen what will come of Western Europe's fine aspirations in calling for disarmament and its doubts and suspicions about its future security. It remains to be seen what changes will occur in U.S.-European relations and in relations among the countries of Western Europe. An editorial in "FRANKFURTER ALLGEMEINE ZEITUNG" on 2 March said that at present there are both risks and opportunities, and one cannot just look at the one and forget about the other. It should be said that this is precisely the sentiment in Western Europe.

INTERNATIONAL MILITARY EQUIPMENT EXHIBITION ENDS

OWO71212 Beijing XINHUA in English 1117 GMT 7 Mar 87

[Text] Beijing, March 7 (XINHUA) -- An international military communications and hi-tech equipment exhibition, which closed in Shanghai yesterday, has attracted many people from across the country and the world, today's "CHINA DAILY" reported.

Militcom '87 China, exhibited at the Shanghai Exhibition Center, was jointly sponsored by the China Zhijia Corporation Ltd., the China Ship Research and Development Administration and the Tech Expo Company from Hong Kong.

Forty-four companies from countries and regions including the United States, Britain, Switzerland, West Germany, the Philippines and Hong Kong and 10 from Shanghai brought such products as computers, radios, and security equipment and ultra-red laser and night-vision equipment.

Experts and technicians from departments under the State Council, Army departments, Security Bureau, research institutes and enterprises across the country visited the exhibition and attended seminars.

"Of course we understand that companies from other countries may not bring their most advanced technology here, but I think we Chinese scientists can learn a lot that is new to us from this exhibition. It will undoubtedly be helpful to the communications development of our defence field as well as the development of the communications technology of the country as a whole," said Xu Jitong, an engineer from the China Ship Research and Development Administration in Beijing.

"We do not have high expectations but we want to get our products exposed to Chinese customers and therefore establish contacts," said Eliseo D. Rio, general manager of Veterans Electronics Communications, Inc. of the Philippines which has sold products to other Asian countries but not to China.

Ronald D. Patterson, business development manager of the American GTE Government Systems Corporation, held that to do business in China needs patience. "Many companies came to China and wanted to see instant profits. Things don't happen like that in China," he said.

GTE started business in 1983, primarily with the China Electronic System Engineering Company. But the business volume is small, according to Patterson. "We are like a small child, crawling around and then trying to stand up and take small steps. That's the approach we take," he said, adding that it takes time to get to know each other. "It's a matter of two-way education."

PK Electronics Company of Federal Germany, a manufacturer of security products, has increased its annual turnover every year in China by 20 to 25 percent and it is expecting to come close to a turnover of about one million marks in one year, according to Bernd Wagner, general manager of the Overseas Systems Group, exporter and distributor for the PK Company.

Brian Stewart, director of the British Racal Electronics Group's China operation, held that many foreign businessmen lack a good understanding of the situation in China, which has a form of democracy different from that in Britain or America.

MEDIA VIEW REAGAN EFFORT TO RESTORE REPUTATION

XINHUA News Analysis

OWO61332 Beijing XINHUA in English 1256 GMT 6 Mar 87

["News Analysis: Reagan Not Yet Fully Out of Irangate Dilemma — (by Li Yanning)" — XINHUA headline]

[Text] Washington, March 6 (XINHUA) — The U.S. President Ronald Reagan's TV speech Wednesday night, in which he acknowledged the Iran-contras deal was a mistake, has won general sympathy from Americans. However, it would be premature to say Reagan has totally ridden the tide over the Irangate crisis.

Commenting on the speech following the Tower report issued a week ago, THE NEW YORK TIMES said yesterday: "As for the absence of an apology, the whole tone of the speech constituted a sort of apology."

The influential newspaper, comparing this speech to President John Kennedy's confession of blunders following the catastrophic invasion of the Cuban Bay of Pigs in 1961, underlined the significance of Reagan's move, saying it was the first time a U.S. President openly acknowledged errors in 25 years.

"Only a President in deep trouble, who knows full well that he is in deep trouble, speaks as he did tonight," and Reagan "appeared tonight to have concluded that he must swallow his pride to save his presidency," the paper said.

On the other hand, Reagan's apology is regarded as something far from complete by some other papers.

"President Reagan," wrote THE WASHINGTON POST the same day, "ignored many questions raised by the Tower review board and largely blamed the board's verdict of failure in his White House on the actions of unnamed subordinates."

"Reagan portrayed himself as a President who had the right intentions, but did not always ensure that they were being followed by aides who contributed to the crisis by failing to keep 'proper records of meetings or decisions,' who created 'secret bank accounts and diverted funds' and 'took actions without my knowledge,'" the paper added.

Nevertheless, judging from responses from people as were reported by news media, President Reagan's speech has attracted much attention and sympathy as well. This is a show that, after the speech, Reagan will begin to recover from the crisis of confidence caused by the Iran-contras deal.

To what extent will Reagan recover? Newspapers here differ in their evaluation.

Before he delivered his speech Wednesday night, President Reagan had already made some efforts to make up.

With a series of change of guards, including the change of the chief of White House staff and the head of the Central Intelligence Agency following the earlier appointment of Frank Carlucci as the national security advisor, Reagan tried to assure the country that he had "brought in an accomplished and highly-respected new team."

In the speech, Reagan declared that the National Security Council staff is forbidden to undertake any covert operation that is supposed to be the job of the CIA, and promised that he will abide by the rule of consulting Congress.

All this, obviously aimed at winning forgiveness from the nation, seems rather effective.

Reports by the paper U.S.A. TODAY show that some Americans are inclined "to forgive, but not to forget."

In spite of all the developments favorable to Reagan, it is improper to make a conclusion that the U.S. President has totally ridden the tide over the crisis of confidence.

Although the two major parties differ in many ways on evaluating the speech, they have at least one point in common: A single speech can hardly appease the criticism from across the country and win back the confidence from the electorate.

Investigations, particularly on the issue of transferring funds from the Iran arms deal to the rebelling forces in Nicaragua, are far from finished. Once either of the two investigation boards of the Congress should find something wrong in the case some day, the crisis would certainly reoccur.

Meanwhile, Americans now take a wait-and-see attitude towards the performance of the President and his new men in the White House. Reagan is possibly anxious to try to do something glorious in either relations with the Soviet Union or the financial budget to win back the confidence of the American people. It will be interesting to see what the President's next move will be.

RENMIN RIBAO Report

HK091253 Beijing RENMIN RIBAO in Chinese 9 Mar 87 p 6

[Dispatch from Washington by RENMIN RIBAO reporter Zhang Yunwen (1728 0336 2429): "An Effort To Restore Reputation"]

[Text] The televised speech by President Reagan on the evening of 4 March to the whole country was a formal reply to the Tower Report that had been made 6 days ago as well as an attempt to restore his reputation since the press conference held on 29 November on the "Irangate" incident. Public opinion here has described this speech as "Reagan's most important since he became President" and "the last chance to recover from the Irangate incident."

Comparing this to several previous speeches of his on the "Irangate" incident, the significance of this new speech is that Reagan admitted that his contact with Iran evolved into a deal to exchange weapons for hostages and implicitly admitted that he himself had made the mistake and expressed willingness to accept all responsibility and all criticism from the investigation committee. THE NEW YORK TIMES reported that although the term "apology" was not used, the "tone of the whole speech has constituted a kind of apology."

Initial responses from senators of both parties in the Congress were relatively favorable, indicating that this was thought to be "a good beginning." The Republican senators pointed out that Reagan has once again taken the initiative. The majority of the U.S. public has also expressed satisfaction.

For over 3 months, the facts revealed through the investigations of the "Irangate" incident are quite different from the formal statements of government officials. The testimonies of the main government officials have been so contradictory that they cannot match the investigation results of the Tower Report. The Tower Report has severely criticized nearly all the President's main assistants and implied that government officials conducted illegal activities and intended to cover up the truth. Therefore, the reputation of the President among the U.S. public suffered a disastrous decline. According to an opinion survey conducted by THE NEW YORK TIMES and Columbia Broadcasting System on the eve of Reagan's speech, the number of supporters of Reagan had declined to 40 percent, the lowest over 4 years.

In order to address this crisis of confidence, Reagan adopted some remedial measures before delivering this speech. First, he reshuffled the cabinet in the White House. People felt "relieved" to see Chief of Staff to the President of the White House Donald Regan resign and to see him succeeded by the popular former senatorial Republican leader Howard Baker. Having worked in the Congress for 18 years, Baker is good at mediating between the two parties in the Congress and between the Congress and the White House. He takes a moderate stand in financial and political policies and is therefore acceptable to both parties. People welcome the fact that former FBI chief Webster has been nominated to be the new CIA director and that Carlucci has become national security adviser. These new people are not from the "Reagan circle." Public opinion holds that this will be conducive to Reagan cultivating good relations with Congress and setting up a more extensive basis.

On 3 March, while reading out a statement regarding the new proposal of the Soviet Union on disarmament, Reagan said that the proposal of Gorbachev has provided a "new chance" for arms control. For 2 days running Reagan also delivered one speech after another on arms control issues, called meetings of the National Security Council, and talked to all the personnel of the National Security Council. According to the news media, all these were designed to show that Reagan was acting swiftly and "personally."

However, it is obviously too early to believe that the current efforts of Reagan have helped him to cushion the reputation of his government against the shocks produced by the "Irangate" incident. The Democratic senators stressed that a single speech is not sufficient to restore this reputation and that it is still necessary to see actual actions. THE NEW YORK TIMES columnist Leaton said that the damage caused by the "Irangate" incident cannot be repaired by a speech or a cabinet reshuffle. The investigations conducted by the two congressional groups and the special attorneys have just begun. So far, the issue of fund transfer is still a riddle. It is still difficult to anticipate who will be involved once some of the key figures involved in the incident are given immunity to reveal "the astonishing plots." More importantly, the Democratic Party will also make full use of the present "advantageous" political climate and issue challenges on the issues of budget deficits, Nicaragua, U.S.-Soviet relations, and so on. It is very difficult to predict whether the Reagan government, whose vitality has been sapped by the "Irangate" incident, will enjoy smooth sailing during its remaining 2 years in office.

RENMIN RIBAO EXAMINES U.S. MIDDLE EAST POLICY

HK020543 Beijing RENMIN RIBAO in Chinese 28 Feb 87 p 6

[Roundup by Wu Wenbin (0702 2429 2430): "New U.S. Attitude Toward Middle East Peace Talks"]

[Text] Not long ago, during Israeli Prime Minister Shamir's U.S. visit, U.S. Secretary of State Shultz asked him to consider the proposal for an international conference on Middle East affairs, maintaining that "all reasonable means, including an international conference, should be given consideration." President Reagan openly urged him to agree to an international conference. Public opinion holds that this signifies a "subtle change" in the U.S. position on holding a conference on peace in the Middle East.

Over the past years, in an attempt to keep the Soviet Union away and to monopolize the Middle East talks, the United States has always sided with Israel in rejecting the proposal for an international conference of all parties concerned, including the five permanent members of the UN Security Council and the PLO as participants, and it has always supported Israel's principle of "refusing to do three things:" Its refusal to recognize the PLO; to recognize the Palestinian's right to national self-determination; and to withdraw from Arab territory. Apart from all this, it has always advocated direct talks between Israel and the Arab countries, in the absence of the PLO. Of course, this has been rejected by the Arab countries. Relations between the United States and the Arab countries have remained strained for a long time.

Since the exposure of U.S. arms sales to Iran behind the backs of the Arab countries, U.S. relations with the Arab countries have been weakened. According to reports, the heads of state of both Egypt and Jordan have declined invitations from Washington to visit the United States. President Mubarak indicated that he would not visit the United States before the U.S.-Iranian arms deal issue is clarified. King Husayn of Jordan said that because of U.S. deception on the arms sales to Iran and its inaction regarding the Middle East, he did not have one single reason for visiting the United States. Many Arab countries have been disappointed by the United States and U.S. credibility in the Middle East is being endangered.

Recently, the United States adopted a series of measures to mend relations with Arab countries and to change its image as an inactive Middle East peace seeker. Murphy, assistant secretary of state and special presidential envoy, was thus sent on a special mission to the Middle East to hold talks with the Jordanian, Egyptian, Saudi Arabian, and Israeli leaders on United States' Middle East policy and on efforts to seek peace in the Middle East. On the other hand, the international community is strongly demanding an international conference on peace in Middle East. It is precisely under such circumstances that the United States has, for the first time, openly supported the proposal for a UN-sponsored international conference on peace in the Middle East.

The U.S. Government, however, has been strongly criticized by Shamir for its change in position on Middle East peace talks. Disagreement between the two sides on U.S. arms sales to Arab countries and on convening an international conference on peace in Middle East is becoming noticeable. However, according to observers, the differences between the two countries will not affect their special relationships. [paragraph continues]

People have noticed that since the signing of a strategic cooperation agreement between the two countries in 1983, U.S.-Israeli relations have been steadily strengthened. In May last year, Israel signed an agreement with the United States on Israeli participation in the United States "Star Wars" program, thus making the country the third participant in the program. On 15 February, the eve of Shamir's U.S. visit, the United States upgraded the status of Israel to that of an official ally. This status is equal to that of the NATO allies. The Shamir administration has requested the United States to give substance to this status. Thus, the question of whether the new United States attitude toward an international conference on Middle East Peace is just an interim measure for recovering its credibility in the Middle East, or a real change in its Middle East policy, can only be answered by what it actually does in the future.

ZHANG JINGFU MEETS HEAD OF U.S. MAGAZINE

OWO91228 Beijing XINHUA in English 1127 GMT 9 Mar 87

[Text] Beijing, March 9 (XINHUA) -- Chinese State Councillor Zhang Jingfu met here today Henry Dormann, chairman and editor in chief of the "LEADERS" magazine of the United States, and his party.

Established in 1977, "LEADERS" is preparing to focus on China's open policy and investment environment in its October issue this year.

Zhang Jingfu briefed the Americans on how China adheres to the socialist road, carries out reforms, pursues the policy of opening to the outside world, and implements the modernization program.

He said that foreign entrepreneurs should be farsighted, looking into the next century, when considering cooperation with China.

There is a great gap between China, a big developing country, and the United States, the biggest developed one in the world, he noted, but each has its own advantages.

He added that there is a broad prospect for cooperation between China and the U.S. if they can make up for each other's needs.

REAGAN URGES NEW INTERPRETATION OF ABM TREATY

OM030444 Beijing in Russian to the USSR 1800 GMT 28 Feb 87

["International Affairs" program; Hung Bo commentary: "Reagan Is Pushing the Implementation of SDI"]

[Text] Lately, news from Washington bears witness to the fact that Strategic Defense Initiative [SDI] program research is going ahead rapidly. The 1993-1995 period might witness the deployment of the its first stages.

The accelerated U.S. propagation of SDI will inevitably lead to the violation of provisions of the Soviet-U.S. ABM Treaty which was signed in 1972. In connection with this, a new interpretation of this treaty is being put forward in the United States. In today's "International Affairs" program we will broadcast the views of our radio commentator, Hung Bo, under the title "Reagan Is Pushing the Implementation of SDI."

According to the Soviet-U.S. ABM Treaty, the testing, development, and deployment of sea, air, or space-based antimissile systems, mobile land-based antimissile system, and their spare parts is proscribed for both parties.

In the 1970's the Soviet Union spoke out in favor of a broad interpretation of this treaty which would have meant that the treaty merely banned the deployment but not the testing or development of defensive weapons with new technology. The United States, for its part, spoke out in favor of a narrow interpretation of the treaty which envisaged a ban on testing, development, and deployment of all other defense systems, other than permanent ground-based defense systems.

During the 1980's as a result of the U.S. proposing the SDI program, the situation was reversed. Recently, there has been a tendency for opinions to be expressed in the Pentagon that suggest that SDI research has achieved great success. Now testing is being planned for a certain missile, a key component of the program, which will later be deployed in space. These tests can only be conducted if the ABM Treaty is interpreted broadly. Otherwise, the U.S. tests will be viewed by the Soviet Union as violation of the treaty.

The intention of the Reagan government to make changes in the interpretation of the treaty is being dictated precisely by a desire to legitimize SDI research.

In October 1986 at the Soviet-U.S. summit in Reykjavik, the Soviet leader demanded that the United States adhere to the ABM Treaty and limit, for the next decade, SDI research to laboratories. Reagan categorically rejected this Soviet demand, which led to an unpleasant end to the summit.

Reagan has finally decided to intensify implementation of his SDI program. Therefore, after the meeting he began to adopt a threatening pose. In November last year, the United States deployed its 131st strategic bomber, thus violating a provision of the SALT II agreement. On 3 February of this year the United States carried out its 25th nuclear test since the Soviet Union announced its unilateral moratorium on all nuclear explosions. In retaliation, the Soviet Union announced the resumption of nuclear tests which it had not conducted during a 17-month period.

Following this, Reagan, during the first 10 days of February, twice called a meeting of his senior advisors to discuss the question of early deployment of the SDI program and the reinterpretation of the ABM Treaty. These actions by the Reagan administration have caused, once again, concern among the West European allies as well as criticism by the international community. This, despite the fact that no final decision was made at the meetings and an expression of willingness was made to conduct consultations with the U.S. Congress and the U.S. allies, followed by further talks.

Mrs Thatcher, prime minister of the UK, and Craxi, prime minister of Italy, who was in London at the time, called on the United States to conduct more frequent consultations with its allies on the SDI program.

Van den Broek, the Netherlands foreign affairs minister, told correspondents that the Netherlands is concerned that the United States will reinterpret the ABM Treaty in order to deploy its SDI program early.

Prior to this, when the U.S. intention to deploy the SDI program early leaked from the same side of the Atlantic Ocean, Western countries had already expressed their concern. Kohl, prime minister of the FRG, sent a letter to President Reagan demanding adherence to the ABM Treaty. Similar letters were sent by Carrington, NATO secretary-general, to Weinberger and Shultz.

The above-mentioned actions of the Reagan administration were also met by protests within the United States. Sam Nunn, the chairman of the Senate Armed Forces Commission, in his letter to President Reagan, warned that the Senate, in ratifying the treaty at that time did so from the point of view of a narrow interpretation. If the Reagan administration decided to implement a broad interpretation of this treaty without consulting Congress, this would lead to a deep constitutional crisis.

TASS, in its review, commenting on the meeting at the White House to discuss early SDI deployment, condemned the U.S. Government for inconsistency between its word and deeds. The Star Wars militarists, TASS emphasized, are stubbornly attempting to stop all possibilities to lower international tension, to place unsurmountable barriers at the Soviet-U.S. talks in Geneva, to ensure Washington's rejection of the Reykjavik agreement adherence to the ABM Treaty for a period of 10 years, to torpedo this treaty, and to open new channels for an unchecked arms race.

All this clearly shows that in order to accelerate realization of the SDI program, the Reagan government will never retract its intentions to give a new interpretation to the ABM Treaty. If the United States is to act in this way, then it will invariably be reflected at the present Soviet-U.S. arms control talks, will ruin the ABM Treaty, will put an end to the hopes of reaching new Soviet-U.S. agreements on disarmament, will lead to a new spiral of the arms race between the superpowers, and will contaminate the new atmosphere of normalization of relations between the East and West.

The people of China and the people of the whole world do not wish to see this happen, particularly the people of the various European countries. The whole world is watching with deep concern the future actions of the United States and the Soviet Union.

JAPANESE DIETMEN PROTEST OSAKA COURT RULING

OW081035 Beijing in Japanese to Japan 2130 GMT 7 Mar 87

[Radio Beijing Tokyo correspondent's report]

[Text] The Osaka High Court on 26 February passed a ruling involving the Koka-ryo dormitory in Kyoto, a Chinese state-owned property. The ruling violates international law. In connection with this issue, the Japan-China Friendship Association held a meeting and strongly demanded that the government correctly deal with the issue.

At the meeting, Dietman Chuji Kuro stated that because the Japanese Government recognizes the PRC as China's only and legitimate government, Koka-ryo naturally belongs to China and the ruling passed by the Osaka High Court is clearly an action aimed at creating two Chinas.

Tokuma Utsunomiya, president of the Japan-China Friendship Association, has also made remarks on this issue. He stated that the Osaka High Court's ruling on the case involving Koka-ryo violates the basic principles of the Japan-China Joint Statement and the Japan-China Treaty of Peace and Friendship. In other words, it violates the important provision saying that the Japanese Government recognizes the PRC as the only legitimate government in China. He strongly appealed to the Japanese Government and other related circles to correctly handle this issue so that it will not become an obstacle to the expansion of friendship between the two countries in the 21st century.

RENMIN RIBAO NOTES DPRK'S 'SINCERE PROPOSAL'

HK070610 Beijing RENMIN RIBAO in Chinese 6 Mar 87 p 6

[Commentary by RENMIN RIBAO reporter Xu Baokang (1776 1405 1660): "A Sincere Proposal"]

[Text] On 3 March, DPRK Premier Yi Kun-mo and People's Armed Forces Minister O Chin-u wrote a joint letter to their counterparts, South Korean Prime Minister No Sin-yong and National Defense Minister Yi Ki-paek, proposing that while the two sides hold high-level political and military talks, the suspended Red Cross talks, economic talks, and the preliminary meeting of the parliamentary dialogue also be resumed to seek national reconciliation and trust and to ease the tense situation on the Korean peninsula. This was another sincere effort by North Korea to improve North-South relations in Korea and eliminate the sharp confrontation conditions.

Late last year, in his administrative speech, Comrade Kim Il-song proposed that the North and South hold high-level political and military talks. After that, North Korea sent two letters on the North-South high-level political and military talks to the South, respectively on 11 January and 28 January, which also put forth a peace proposal. However, the South Korean authorities not only rejected the North's proposals, but also flagrantly carried out a large-scale military exercise with the United States. As everyone knows, in recent years, the "Team Spirit" U.S.-South Korean joint military exercise each year was the main obstacle to the North-South dialogue in Korea. [paragraph continues]

In 1985, when the two sides continued to maintain the dialogue relationship, the "Team Spirit '85" military exercise by the United States and the South Korean authorities broke the dialogue for a number of months. Then, in 1986, the "Team Spirit '86" military exercise again suspended the North-South dialogue in all fields; it has not yet resumed. As people notice, although the United States and the South Korean authorities are carrying out the "Team Spirit '87" military exercise inside South Korean territory and have seriously harmed the atmosphere for North-South dialogue, the North still takes the interests of the whole into account and continues to make efforts to remove the growing confrontation conditions as soon as possible. It not only has agreed to resume the three suspended dialogues in the period of the opposite side's military exercise, but also hopes to hold the first round of North-South high-level political and military talks on 26 March. This shows that North Korea's stand for eliminating differences and easing the tension on the Korean peninsula is firm and its attitude is sincere.

At the same time, North Korea also agrees to discuss the controversial "Kangansan power station" issue in the North-South high-level political and military talks. That issue is a prominent problem that has caused the two sides' distrust and sharp confrontation in recent months. Since North Korea announced the beginning of the power station construction project last October, the South Korean side has reacted to this very strongly and clamored in a big way that the project will cause a "great threat" to the South. Although the North has repeatedly reiterated that the Kangansan power station will just be used for peaceful purposes and will not cause any threat to the South, the South Korean side so far still does not accept this and does not believe this. It seems that the misunderstanding has become deeper. In its proposal letter, the North has changed its original position of insisting that the South should first apologize to the North for this event before the power station project is discussed in the talks, and has agreed to discuss the power station issue without preconditions. This will certainly be favorable to removing both sides' misunderstanding and distrust.

Observers generally hold that the dialogue will be an effective step for promoting mutual understanding between North Korea and South Korea, removing the sharp political and military confrontation conditions, and striving for Korea's self-determination and peaceful reunification. It is people's hope that in the present season when snow is melting, the South Korean side will gladly accept the North side's proposal so that the frozen North-South dialogue and detente tendency will again show new vigor.

PRC, DPRK, USSR, MPR SIGN TRADE PROTOCOL

OWO91231 Beijing XINHUA in English 1223 GMT 9 Mar 87

[Text] Pyongyang, March 9 (XINHUA) -- China, the Democratic People's Republic of Korea, Mongolia and the Soviet Union signed a trade protocol here today, outlining their 1987 fiscal year's plan for imports and exports and cross-border railway transport.

At a regular meeting here, beginning March 2, the four countries first examined the situation in carrying out their agreements laid out in the 1986 protocol.

Then, in the principles of equality, mutual benefit and full consultation, the meeting reached agreements concerning imports and exports and the quantity and procedures of the cross-border railway transport.

The meeting is scheduled to close on Tuesday.

The next regular meeting will be held in Ulaan Baatar, capital of Mongolia, next year.

LIAISON DELEGATION PAYS VISIT TO DPRK

Feted by WPK Officials

OW100302 Beijing XINHUA in English 0248 GMT 10 Mar 87

[Text] Pyongyang, March 9 (XINHUA) -- A high-ranking official of the Worker's Party of Korea (WPK) said today the Korean people will spare no efforts in strengthening the friendship between Korea and China.

Hyon Chun-kuk, director of the International Affairs Department of the Central Committee of the WPK, made the remarks at a welcome banquet this evening in honor of a visiting delegation from the International Liaison Department of the Central Committee of the Communist Party of China.

Hyon said the friendship between the two countries has boosted national construction.

Zhu Liang, director of the Liaison Department and head of the delegation, said both the Communist Party and the Chinese people support Korea's stand in easing tension on the Korean peninsula and pushing forward the process of reunification.

The Chinese delegation arrived here today.

Meets Kim Il-song

OW101045 Beijing XINHUA in English 1030 GMT 10 Mar 87

[Text] Pyongyang, March 10 (XINHUA) -- Korean leader Kim Il-song today told a visiting Chinese delegation he is happy about China's domestic stability and good economic situation.

Kim met with Zhu Liang, visiting director of the International Liaison Department of the Chinese Communist Party Central Committee, and Zhu's delegation in the Kumsusan Assembly Hall.

Kim briefed Zhu and his party, which arrived here yesterday, on Korea's implementation of its Third Seven-Year Plan, which begins this year.

About the prospects of North-South dialogue, Kim said if South Korea adopts a positive attitude toward the North's proposal on high-level political and military talks, there is a chance that the reunification process of the Korean nation will meet with good results.

Kim also said the North wants to hold tripartite talks with both the South and the United States about reunification.

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The Korean Leader extended his greetings to Chinese leaders Zhao Ziyang, Deng Xiaoping and Li Xiannian.

After their meeting, Zhu and his delegation gave Kim a bronze replica of the "Heaven Horse" of the Eastern Han Dynasty (25-220 B.C.).

Also attending the meeting were Hyon Chun-Kuk, director of the International Affairs Department of the Central Committee of the Workers' Party of Korea, Korean Ambassador to China Sin In-Ha, and Chinese Ambassador to Korea Zong Kewan.

FURTHER REPORTAGE ON LIAISON VISIT TO DPRK

For further reportage on the visit by Zhu Liang, head of the International Liaison Department of the Central Committee of the Communist Party of China, see the North Korea section of the 10 March Asia & Pacific DAILY REPORT and subsequent issues.

MPR DELEGATION ATTENDS WOMEN'S DAY CELEBRATIONS

SK100507 Hohhot Nie Monggol Regional Service in Mandarin 1100 GMT 9 Mar 87

[Test] At the invitation of the Erenhot City Women's Federation of China, a four-member delegation from the Women's Federation of Dzamyn Uud City of the Mongolian People's Republic (MPR) attended celebration activities marking the 77th anniversary of the 8 March International Working Women's Day in Erenhot on the morning of 7 March.

The relations between the women's federations of the two cities which were suspended for more than 20 years have been restored.

That afternoon, accompanied by the responsible persons of the Erenhot City Women's Federation, the delegation members watched videotapes introducing the situations of all fronts and circles in Erenhot City, toured the city, and visited the Erenhot City child-care center.

When the delegation left Erenhot City for home, both sides exchanged souvenirs and gave festive greetings to the women of the two countries and cities.

YUNNAN BORDER GUARDS COUNTER SRV PROVOCATIONS

OW101030 Beijing XINHUA Domestic Service in Chinese 0757 GMT 10 Mar 87

[Reports by Li Shiyuan and Wang An]

[Text] Yunnan Front, 10 Mar (XINHUA)-- In the last few days, our Yunnan border defense troops answered Vietnamese troops' armed provocations with counterattacks to defend our people of various nationalities in the border regions during spring farming.

Since spring arrived, the Vietnamese troops have frequently made provocations toward our Yunnan border regions, seriously threatened the lives and security of local residents, and sabotaged the spring farming of our border people.

Statistics show that in 1 month, the Vietnamese troops fired over 10,000 rounds of artillery shells at us, damaged 3,000 mu of our farmland, and killed or wounded 6 of our border people.

When eight women of the Yao Nationality of Taiyangzhai in Jinping County were plowing their land and cutting grass on the China side on 28 February morning, Vietnamese troops hidden in bamboo groves across the river shot at them with submachine guns. Li Guoying, 32, was killed on the spot.

On the morning of 4 March, one of our trucks, carrying fertilizer, was strafed and damaged by Vietnamese antiaircraft guns. On the same day, the Vietnamese troops also strafed our border people working in the fields.

On the afternoon of 6 March, the Vietnamese forces launched a fierce artillery attack on Jinchang of our Maguan County, fired 30 to 40 rockets, and destroyed 9 homes there.

In order to protect the lives and normal production work of our border people, our frontier guards have used artillery fire to counter the Vietnamese troops' provocations, destroyed a number of enemy fortifications, and killed and wounded many Vietnamese troops. Our frontier guards also dispatch farming protection groups to patrol the border areas and post guards near the fields to prevent enemy harassment and sabotage.

BAN YUE TAN EVALUATES VIETNAMESE PARTY CONGRESS

HK030703 Beijing BAN YUE TAN in Chinese No 3, 10 Feb 87 pp 56, 57

[Article by Tang Ping (2768 5493): "Vietnam: Changes and No Changes"]

[Text] In December last year, the Communist Party of Vietnam [CPV] held its Sixth National Congress, which Hanoi called a historic incident that would bring about "an important turn" in all spheres. Judging from the relevant data of this congress and from the situation thereafter, the changes in the personnel arrangements in the Vietnamese party and in the domestic economic policy are relatively big, but there are no substantial changes in foreign policy.

Of the leadership organs elected by the Sixth CPV Congress, 5 of the 14 Politburo members are new members, 9 of the 13 Central Secretariat Secretaries are newly added, and about 80 of the 173 Central Committee members are newly elected. Founding members of the CPV, including Truong Chinh, Phan Van Dong, and Le Duc Tho, simultaneously applied for withdrawal from the Politburo and Central Committee and were appointed as advisers.

Nguyen Van Linh, 71, was elected general secretary of the Central Committee. He and Vo Chi Cong, Do Muoi, and Vo Van Kiet, who have just joined the Politburo, formerly had charge of economic work or work that paid particular attention to economic work, have practical experience in work, have advocated reform, and have been called leaders of the "reform group." People have noticed that in the Central Committee leadership organs, Le Duc Tho, who was a trusted follower of Le Duan, retired, Van Tien Dung and To Huu left the Politburo, and Hoang Tung and Tran Quynh could not enter the Central Committee.

The Sixth CPV Congress openly admitted Vietnam's current difficulties and crises and examined the serious mistakes committed in the course of work. In the political report made at the Sixth Congress, Truong Chinh said: "The important quotas in the last 5-year plan were not fulfilled," "production developed slowly," "balance between supply and demand could not be maintained," "the distribution and circulation spheres were chaotic," "the financial deficit was big," "inflation was serious," "many minimum and proper requirements of people's material and cultural life could not be guaranteed," "the masses' confidence in the party leadership and functions of the state organs decreased," and so on. Truong Chinh admitted that these difficulties had been caused by the erroneous leadership of the "Central Committee, Politburo, Secretariat, and Council of Ministers"; this was a "serious and long-term mistake in the general stand and policies, as well as a mistake in strategic guidance, organization, and implementation." However, he avoided discussing the disastrous consequences caused to the domestic economy by the policy of aggression against other countries and of expansion.

Regarding economic reform and social policy, the Sixth CPV Congress emphasized that it is necessary to "make rearrangements in the economic structure and to make important adjustment of the investment structure" to "concentrate manpower and material resources to work hard to fulfill the planned quotas for grain, food, articles of everyday use, and exported products." He also pointed out that it was necessary to "reform the economic management system" and "to strive to basically establish a new management system and work to readjust the management organs by 1990." This is markedly different from the line of economic construction -- "giving priority to the development of heavy industry" -- proposed by the Fifth CPV Congress.

The data of the Sixth CPV Congress shows that the Vietnamese basic policy of invading Cambodia and opposing China remains unchanged, but it is more flexible in strategy and measures. Although the Sixth CPV Congress did not assail China by name, the political report made by Truong Chinh attacked China by innuendo on many occasions and said that Vietnam had already defeated the "hegemonist scheme to oppose Vietnam" and "sabotage and war in many aspects" and checked "enemy nibbling" at the northern areas. In his speech, Politburo member Pham Hung insinuated that China was "a directly dangerous enemy" of Vietnam. At the same time, Vietnamese authorities repeatedly appealed for talks with China in an attempt to make China recognize the fait accompli of its aggression against Cambodia.

Truong Chinh's political report said that "the development and consolidation of the special relations of the three Indochinese countries" had a bearing on "the life and death of the three fraternal nations" The report also insisted that removing the Pol Pot group should be regarded as a condition for resolving the Cambodian problem [paragraph continues]

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At the same time, Vietnam tried tricks by telling Prince Sihanouk, through Austria and Romania, and by suggesting that the three Democratic Kampuchean parties and Heng Samrin hold direct talks in an attempt to lure people to recognize Vietnam's legalized aggression against Cambodia.

The Sixth CPV Congress repeatedly declared that it was essential to "continuously strengthen combat unity with the Soviet Union" and declared that it was imperative to "constantly improve the quality of and results in all-round cooperation on the basis of the Vietnamese-Soviet Treaty on Friendly Cooperation." Ligachev, head of the CPSU delegation that attended the Sixth CPV Congress, disclosed in Hanoi that in the next 5 years, the Soviet Union would give Vietnam economic aid of 8-9 billion roubles, which would double that in the last 5 years. Ligachev also declared that the Soviet Union completely supported the domestic and foreign policies adopted at the Sixth CPV Congress and supported the alliance of Vietnam, Laos, and Cambodia.

Vietnam is today beset with difficulties both at home and abroad, and this has been caused by a series of erroneous policy decisions on its domestic and foreign affairs. If Vietnam only readjusts its personnel and economic policies without basically changing its foreign policy of invading Cambodia and opposing China, it will be impossible for it to exist in the blind alley.

MINING EQUIPMENT FEATURED AT AUSTRALIAN EXHIBIT

OWO71632 Beijing XINHUA in English 1502 GMT 7 Mar 87

[Text] Canberra, March 7 (XINHUA) -- An international science and technological exhibition, highlighting biotechnology, computers, energy, lasers, aerospace technology and micro-electronics, came to a close here today, showing updated information and new technology essential for the development of national economy.

116 companies and enterprises from all over the world took part in the five-day exhibition under the auspices of the Australian Government.

Australian Minister for Industry, Technology and Commerce John Button said in a speech that this exhibition would make an important contribution to recognizing the fundamental relationship between research and its practical application.

On display at the 5,000-square-meter exhibition were over seven hundred pieces of products in various technologies such as the U.S. airborne early warning system, Argentina's electronic equipment, Australia's infrared thermometers to monitor crop temperatures and China's inertial resonance probability screen for the mining industry.

Besides, seminars on different subjects such as the aerospace and tele-communication industries were held in the process of the exhibition.

LIAONING'S QUAN SHUREN GREETES YUGOSLAV OFFICIAL

SK090754 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 8 Mar 87

[Text] This morning, amid a cordial and friendly atmosphere, Li Changchun, acting provincial governor, had a talk with Milovic, president of the Executive Council of the Republic of Croatia of Yugoslavia. During the talk, the two parties described their respective economic development situations and conducted explorations and held consultations on cooperation in the fields of economy, trade, science, and technology.

Li Changchun said: Since 1981 when the two sides began their mutual contacts, the friendly relations between the two sides have undergone constant development, and cooperation has been organized in several fields with good results. The current visit of President Milovic and his entourage to Liaoning will certainly further promote the economic and trade cooperation between the two sides. I hope that both sides will explore possible cooperation in still more spheres, in line with the principles of equality and mutual benefit, and continue to develop friendly relations.

President Milovic said: The purpose of our current visit to Liaoning is to learn about the situation in Liaoning and explore more areas of possible cooperation. I believe that through understanding, the two sides will certainly cooperate with each other in a number of areas.

Joining the talks were provincial Vice Governor Zuo Kun; Zheng Silin, assistant to the governor; Cui Yukun, deputy secretary general of the provincial people's government; and Li Xishun, director of the provincial Foreign Affairs Office. All members of the government delegation of the Republic of Croatia also attended the talks.

This afternoon, Milovic, president of the Executive Council of the Republic of Croatia, paid an official call to the Liaoning Provincial CPC Committee. When Milovic and his entourage arrived at the office of the provincial party committee, Quan Shuren, secretary of the provincial party committee, Sun Qi, deputy secretary, and Yu Xiling, secretary general, who awaited the guests there, stepped forward to greet them, cordially shook hands with President Milovic, and extended a warm welcome to him in his visit to Liaoning. Then, Quan Shuren had a cordial and friendly talk with President Milovic.

This evening, Acting Provincial Governor Li Changchun received and feted the Yugoslav guests at the Liaoning Youyi Guesthouse. The host and the guests held talks amid a sincere and friendly atmosphere. Attending the reception and the banquet were Sun Qi, deputy secretary of the provincial party committee; Hu Yimin, vice chairman of the provincial Advisory Commission; Vice Governor Zuo Kun; Zheng Silin, assistant to the governor; and Cui Yukun and Li Xishun, responsible persons of pertinent departments.

WU XUEQIAN BEGINS OFFICIAL VISIT TO PRAGUE

Greeted by Chnoupek

OW071432 Beijing XINHUA in English 1430 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian arrived here today for an official visit to this country, the first leg of his tour of seven European countries. This is the first time that a Chinese foreign minister visits Czechoslovakia since the two countries established diplomatic ties on October 6, 1949, five days after the founding of the People's Republic of China.

Wu was welcomed at Ruzyn Airport in Prague by Czechoslovak Foreign Minister Bohuslav Chnoupek, who visited China at the end of last year. On his 23-day European tour, Wu will also visit Poland, Bulgaria, Italy, San Marino, Federal Germany, and Switzerland.

Holds Talks With Chnoupek

OW080142 Beijing XINHUA in English 0124 GMT 8 Mar 87

[Text] Prague, February 8 (XINHUA) -- Chinese Foreign Minister Wu Xueqian met his Czechoslovak counterpart Bohuslav Chnoupek Saturday for talks on bilateral relations and world issues of common interest shortly after his arrival here on the first leg of a seven-nation European tour.

The two sides were said to be satisfied with the development of Sino-Czechoslovak ties and both promised continued efforts to bring their relationship to a higher stage.

The two ministers signed a plan on cooperation between their ministries and exchanged documents under which China will open a consulate general in Bratislava, capital of Czechoslovakia's Republic of Slovakia and a Czechoslovak consulate general is to be located in the southeastern Chinese city of Shanghai.

Wu's three-day visit here is the first by a Chinese foreign minister since the two countries established diplomatic relations in October 1949. Chnoupek paid a visit to Beijing last year, which he described as "constructive and fruitful."

Speaking at a dinner party given in Wu's honor in the evening, the Czechoslovak minister expressed appreciation of China's efforts for safeguarding peace, completely eliminating nuclear weapons, reducing conventional arms and turning the Pacific Ocean into a nuclear weapons-free zone.

He reiterated his government's backing for Moscow's proposal to abolish intermediate-range missiles in Europe.

Wu underlined that China pursues a peace-oriented independent foreign policy. She supports dialogues and genuine disarmament, while opposing confrontation and arms competition, he added.

Meets Husak, Strougal

OW091622 Beijing XINHUA in English 1605 GMT 9 Mar 87

[Text] Prague, March 9 (XINHUA) -- Czechoslovak President Gustav Husak and Prime Minister Lubomir Strougal separately met here today with visiting Chinese State Councillor and Foreign Minister Wu Xueqian.

In his meeting with Husak, Wu conveyed to the president Chinese leaders' regards and handed over to him an invitation from Chinese President Li Xiannian and Premier Zhao Ziyang to visit China. Husak accepted the invitation.

Husak expressed satisfaction with the development of relations between the two countries in all fields.

Strougal, who is scheduled to visit China in April, briefed Wu on the economic reforms in Czechoslovakia.

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Both sides expressed the hope that cooperative relations between their two countries will further expand.

Wu arrived in Czechoslovakia on March 7 for a three-day official visit on the first leg of a seven-nation European tour.

Tours Slovakia

OW081612 Beijing XINHUA in English 1603 GMT 8 Mar 87

[Text] Bratislava, Czechoslovakia, March 8 (XINHUA) — Accompanied by Czechoslovak First Vice Foreign Minister Jindrich Rehorek, visiting Chinese State Councillor and Foreign Minister Wu Xueqian today toured the Socialist Republic of Slovakia, the eastern half of Czechoslovakia.

The premier of the Slovak Government, Peter Colotka, met with Wu Xueqian in Bratislava, Capital of Slovakia.

Colotka, who is also Czechoslovak deputy premier, told Wu that he felt relations between the two countries are warming.

Wu arrived in Czechoslovakia yesterday on a three-day official visit, the first leg of his tour of seven European countries.

POLAND TO COOPERATE IN SOCIAL SCIENCES

OW080620 Beijing XINHUA in English 0233 GMT 8 Mar 87

[Text] Warsaw, March 8 (XINHUA) — China and Poland have decided to cooperate in social sciences and humane studies under an agreement signed here Saturday.

According to the cooperation accord, the first of its kind ever concluded between the two countries, the Chinese Academy of Social Sciences and the Polish Academy of Sciences will organize exchange of visits by researchers to make on-the-spot investigations, give lectures and attend academic forums, and provide each other with academic publications.

A delegation from the Chinese Academy of Social Sciences led by its Vice President Liu Guoguang, which arrived here on February 22, was received by Tadeusz Forebksi, Politburo member and Central Committee secretary of the Polish United Workers' Party and held talks with a delegation from the Polish Academy of Sciences.

The Chinese delegation will fly to Prague on Monday.

NPC STANDING COMMITTEE BEGINS 20TH SESSION

OW100340 Beijing XINHUA Domestic Service in Chinese 0204 GMT 10 Mar 87

[Text] Beijing, 10 Mar (XINHUA) -- The 20th session of the 6th NPC Standing Committee began this morning at the Great Hall of the People. This is a session held prior to the Fifth Session of the Sixth NPC. According to the agenda, this Standing Committee session will debate and decide on matters concerning the Fifth Session of the Sixth National People's Congress in addition to examining several draft laws.

Today's session heard a report by the NPC Law Committee on the results of its study on the draft organic regulations of villagers' committees and the draft law governing state-owned industrial enterprises of the People's Republic of China. It also heard a report on examining the credentials of additional deputies elected to the Sixth NPC, a report submitted by the Ministry of Justice on the situation in implementing the NPC Standing Committee "Regulation on Popularizing Basic Legal Knowledge Among Citizens" in 1986; and a report submitted by the NPC Nationalities Committee on the results of its study on the motions of deputies forwarded to the Nationalities Committee by the Presidium of the Fourth Session of the Sixth NPC.

As the session, the relevant written documents with regard to the Fifth Session of the Sixth NPC were distributed for the deputies' discussion and examination.

Feng Zhen Opens Session

OW100900 Beijing XINHUA in English 0847 10 Mar 87

[Text] Beijing, March 10 (XINHUA) -- The 20th meeting of the Sixth National People's Congress Standing Committee opened here today.

Feng Zhen, chairman of the NPC Standing Committee, presided over today's plenary meeting.

The meeting heard a report by Lei Jieqiong, vice-chairman of the NPC Law Committee, on regulations governing village committees. A report by Song Rufen, also vice-chairman of the committee, on the draft law on state-owned industrial enterprise. As well, Liao Hansheng, chairman of the Credentials Committee, presented the credentials of the 15 newly elected delegates to the Sixth NPC. Today's plenary meeting also heard a report by Minister of Justice Zou Yu on an ongoing campaign to publicize China's laws.

In her report to the meeting, Lei Jieqiong said that her Law Committee had revised the draft regulations on village committees, self-managing bodies of rural residents, in line with the opinions of the NPC Standing Committee members after soliciting the opinions from localities and departments at the central level. She considered the draft as "generally mature". She also suggested that the current NPC Standing Committee meeting adopt the draft.

While reporting on the draft law on state-owned industrial enterprises, Song Rufen suggested that the NPC Standing Committee meeting submit the draft to the coming Fifth Session of the Sixth NPC for approval. His NPC Law Committee considered the draft "basically complete in content", he said. The committee had also revised the original draft in line with the opinions of the NPC Standing Committee members and opinions solicited from localities and departments at the central level.

It is the third time that the NPC Standing Committee examined the draft law, which was first submitted to the NPC Standing Committee in early 1985 and was reexamined at the 18th meeting of the Sixth NPC Standing Committee last November.

DENG REPORTEDLY SETS LIMITS TO PURGE OF HU

HK100325 Hong Kong SOUTH CHINA MORNING POST in English 10 Mar 87 p 9

[By Marlowe Hood in Beijing]

[Text] Mr Deng Xiaoping has set strict limits to the purge of Mr Hu Yaobang, the former general secretary of the Communist Party, according to a reliable source. Mr Hu was removed from his post as head of the party on January 16.

A Central Committee document -- one of six issued so far this year -- has specifically prohibited the removal of publicly displayed photographs of the deposed leader, according to a source who read the document. It also said that Mr Hu's calligraphy and any quotations should also remain standing.

This is a sharp departure from previously established methods of handling the image and legacy of discredited leaders. In the past, ascendant leaders have gone to great lengths to remove any public trace of colleagues who have fallen from power. When heir apparent Lin Biao was attacked after his aborted coup attempt in 1971, his figure was subsequently removed from famous photographs in which he appeared in the company of other leaders.

Mr Hu is still listed as a Politburo member, though it is unlikely that he attends high-level party or government meetings. He has not been seen in public since his dismissal six weeks ago. But traces of his leadership are scattered about the capital. On one of the busiest crossroads in Beijing, a large photo display attracts curious onlookers. The exhibit begins with a large photograph of Mr Deng and Mr Hu, side by side at a ground-breaking ceremony in Changping, a small city north of Beijing. It was put up after Mr Hu's dismissal.

"Triumphant Return at Midnight," a very popular television drama currently in its second run after receiving lavish praise in the official press, features a quotation by the former party leader. "Look to the southwest and one sees the power and dignity of the Army and state," reads a voice at the end of each of 11 episodes. The program is also about the war on China's southern border with Vietnam.

The relatively moderate criticism of Mr Hu, his partial removal from power and the continued presence of symbols associated with his leadership could signify at least two things, according to informed sources.

One is a new -- and less drastic -- approach to political purges. Victims of Mao's displeasure did not always recover.

The other possibility is that Mr Hu may recover some measure of his political clout before the convening of the 13th party congress in October this year. Mr Deng himself was twice removed from power before consolidated [as published] his leadership in 1978. While it is extremely unlikely that Mr Hu will be reappointed to the top party slot, he may continue to exert influence.

According to the source who revealed the contents of the document, Mr Hu still sees Mr Deng privately.

LEGAL PAPER REPORTS ARREST OF 2 TAIWAN SPIES

HK100918 Hong Kong AFP in English 0913 GMT 10 Mar 87

[Text] Beijing, March 10 (AFP) — Two alleged spies for Taiwan have been arrested and charged with collecting political and economic information harmful to Chinese security, the CHINA LEGAL NEWS reported Tuesday.

The newspaper said that Yao Shanyan and Meng Qingwei were arrested in southern Hubei Province last month.

The pair went to Thailand a year ago to join a Taiwan intelligence organization, the newspaper said.

The two were arrested February 13, one month after they returned to the mainland, the newspaper added without giving any further details.

The Chinese press regularly reports the discovery of Taiwan spies.

GUANGNING RIBAO VIEWS ANTILIBERALIZATION LIMITS

HK090851 Beijing GUANGNING RIBAO in Chinese 1 Mar 87 p 1

["Everybody Talks" column by Gu An (6253 1489): "Do Not Extend the Concept of 'Bourgeois Liberalization'"]

[Text] The struggle against bourgeois liberalization is an important task. Probably that is why some leading comrades are prone to link up bourgeois liberalization with their work when they allot assignments to the departments they are in charge of, urging that "it is necessary to approach the importance of family planning work from the high plane of criticizing bourgeois liberalization" and "doing a good job of spring afforestation is really an action for combating bourgeois liberalization." Even when someone is late for work, he might be criticized with the remarks "such violation of work discipline is just an expression of bourgeois liberalization and the problem should be solved in the course of the struggle."

No doubt, the work of family planning and afforestation should be done well and the problem of being lax in work discipline should also be solved through education and some established systems. However, should such things be linked up with bourgeois liberalization? Bourgeois liberalization has its specific meaning. It opposes the four cardinal principles, particularly party leadership, and advertises the capitalist road. If someone is not active in family planning work or in afforestation, then he is undoubtedly behaving incorrectly. But this does not mean that he opposes party leadership and advocates following the capitalist road.

Wilfully extending the concept of bourgeois liberalization not only hinders our regular work on different fronts but is also harmful to the sound development of the struggle against bourgeois liberalization. The party Central Committee has pointed out: Opposing bourgeois liberalization is strictly an inner-party issue, to be handled mainly in the political and ideological fields. We should correctly wage the struggle in accordance with the central spirit and should not repeat the previous practice of "once a fishing net is thrown out, all its meshes openwide."

PAPER STRESSES CAPITALISM NOT SUITABLE FOR CHINA

HK080352 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 5 Mar 87 pp 1, 2

[Article by Hu Sheng (5170 4939): "Why Cannot China Take the Capitalist Road?"]

[Text] It is an objective fact that China is embarking on the socialist road. However, some people argue or maintain that the the socialist system is not desirable for China, and that China should have pursued the capitalist system. In view of these erroneous views, we should discuss the problem seriously.

Why should China take, and only take, the socialist road? In other words, why should China not take the capitalist road? If we say the reason is that the socialist system is more advanced than the capitalist system, this is not a satisfactory and scientific answer. During the early rise of capitalism in Western Europe, some advanced thinkers opposed the capitalist system, and maintained that only the socialist and communist systems conformed with human nature. Their kind-hearted wishes could never determine the process of socialist development, and the capitalist system developed in various West European countries. Marxist theories on scientific socialism expounded on the fact that the capitalist system would inevitably meet its doom because of its internal contradictions, and that the socialist system would rise and replace it. The socialist system could develop social production, and enable production to bring happiness to mankind. The socialist system demonstrated its incomparable superiority to the capitalist system in terms of creating conditions for all people to develop freely, and so on. However, to answer the question why China can only take the socialist road and not the capitalist road we should not rely on the method of abstractly making a comparison between the pluses and minuses of the socialist system and the capitalist system. We should answer the question by proceeding from the specific social and historical development in China.

I

The feudal period lasted a long time in Chinese history. In the 1840's and 1850's, Western countries successively launched two Opium Wars and defeated and invaded China. After that, the peasant revolution of the Taiping Heavenly Kingdom broke out in China. It was only then that unprecedented changes took place in Chinese society. Chinese history entered its modern period. In modern China, many patriotic people with lofty ideals tried to pursue the capitalist system in China to promote the progress of the country, so that it could free itself from the situation of poverty, backwardness, and vulnerability. Generally speaking, capitalism could make a country rich and powerful in spite of the fact that the capitalist system is a system characterized by the exploitation of the laboring people. However, replacing feudalism with the capitalist system was, after all, progress. But, under the historical conditions of modern China, the capitalist system does not work.

The earliest modern machinery industry (and shipping industry) was developed in China in the 1850's. However, it was run by foreign capital, which was a small amount in the beginning (foreign capital greatly developed at the end of the 19th century). In the 1860's, industry, mainly for military needs and controlled by feudal bureaucrats, emerged in China. What merits our special attention is that in the 1860's and 1870's, there began to emerge various kinds of new enterprises run by private capital. This shows that a baby of the capitalist mode of production was born in the feudal society. In modern China, this baby grew up under difficult conditions and could not become a powerful force.

In the vast rural areas of modern China, feudal land relationships always occupied an absolutely dominant position. [paragraph continues]

Successive ruling regimes, without any exception, regarded the feudal landlord class as their main foundation (or one of the main foundations), and did everything possible to protect feudal land relationships. Although there was capitalism in Chinese society, it was feudalism which occupied the ruling position. Therefore, we call it a semifeudal society.

Why, in China, were the newborn capitalist economy and the political forces representing it unable to defeat feudalism? In the 17th and 18th centuries, the newborn forces in various European countries eventually won their victories after strenuous struggles. However, modern China was experiencing a special kind of historical condition. In other words, China became a semicolony because of the invasion of imperialism.

At the end of 19th century and in the early 20th century, almost the whole world was divided up by a very small number of imperialist countries. These imperialist countries included Great Britain, tsarist Russia, and various European countries, as well as the United States, and Japan, which rose in the Orient later. They turned almost all economically backward regions in the world into their colonies. The history of "development" of the Western colonialists, which began in the 16th century, was a history of fire and blood. Wherever they arrived, they brutally plundered and exploited the backward tribes and nations. They even deprived them of their conditions for subsistence, so that they could be eliminated. If those nations could not be eliminated, they imposed colonial rule. The capitalist invaders molded the world in their image. To meet the demands of colonial rule, they exported to those regions new modes of production. To meet the demands of colonial rule, they retained and protected various precapitalist social relationships in those regions. In many colonies, it was as though the rich were living in heaven, whereas the poor were living in hell. What a marked contrast! "Prosperity" and "civilization" only existed in a small number of cities and areas where the colonialists lived. But vast regions were shrouded in poverty and darkness, and the people were severely exploited and oppressed. Therefore, when many colonial countries proclaimed their independence after World War II, they were utterly undeveloped.

Various imperialist powers used their gunboat policies to force the Chinese rulers to yield to them, and their political and economic forces penetrated deeply into China. They occupied several coastal ports and harbors and established so-called "concessions" in some Chinese cities. They racked their brains in order to "divide up" China. However, they failed to turn China completely into a colony mainly because: 1) There was a powerful force among the broad masses of the Chinese people for resisting foreign invaders. During the early period, although the force was immature and developed spontaneously, the invaders felt that it was difficult for them to rule directly these millions upon millions of living souls. 2) If China was occupied by a single country, or "divided up" by several countries, acute clashes among them would inevitably occur. Therefore, various imperialist countries preferred to maintain the status quo in China. They carved out their spheres of influence according to their power, shared the benefits equally, and jointly dominated the fate of China. Although China was an independent country in name, it actually lost its independent sovereignty. China had already become a semicolony in which all imperialist countries, big and small, vied with one another to plunder it. During the 1930's, the Japanese imperialists tried to devour China by resorting to force, but they were completely defeated. This was a great defeat in the history of imperialism invading China. The above-mentioned two reasons also basically contributed to the defeat.

Foreign imperialists monopolized Chinese foreign trade. They set up industrial and mining enterprises, shipping companies, banks, and so on. Their purpose in so doing was not to turn China into a capitalist country. [paragraph continues]

On the contrary, it was precisely because of the squeezing out and oppression by the powerful imperialist forces that it was difficult for Chinese national capitalism to grow. During World War I (1914-1918), various imperialist countries, except Japan, were busily engaged in the war in Europe, and had no time to attend to what was happening in the East. During the war, and for 1 or 2 years after, Chinese national industry and commerce developed prosperously. This was called a "golden period." After the war with the resumed expansion of the forces of imperialist countries in China, this "golden period" ended. This showed that without national independence, it was impossible for Chinese capitalism to develop freely. When China lost its independent sovereignty, it was naturally impossible for the country to develop its foreign trade and make use of foreign capital in accordance with the interests and needs of the country.

The various imperialist countries created a comprador class, which served them, and did their utmost to uphold the feudal land relationships in China, and the relevant social relationships. Warlords, bureaucrats, and political parties, which took the comprador forces and feudal landlord class as their foundation, were the agents chosen by imperialism to impose its rule in China. Imperialism supported these agents militarily and financially, and sucked the blood and sweat of the Chinese people through these agents. When one, or one group, of these agents was overthrown, imperialism replaced it with another, or another group, of agents. Although feudal forces were corrupt and backward, it was difficult to destroy these fortresses when they relied on the support of imperialism, and collaborated with the comprador forces.

The main reasons modern China was poor and backward, and was unable to develop from feudalism to capitalism, were the aggression and oppression of imperialism.

II

To free itself from poverty and backwardness and make progress, semifeudal and semicolonial China should have extricated itself from the oppression of imperialism and become independent. Without accomplishing the task of opposing imperialism, it was impossible to accomplish the task of opposing feudalism. These two tasks were the fundamental tasks of the Chinese democratic revolution. Who could accomplish these tasks? If there had been a bourgeois force which could have accomplished these tasks, China might possibly have embarked on the road of developing capitalism independently.

The reformist faction headed by Kang Youwei in 1898 was the earliest political faction of a bourgeois nature in modern China. The reformists experienced the suffering resulting from the invasion and oppression of imperialism. They had strong patriotic sentiments, and put forth a program for pursuing capitalism politically and economically, and tried to implement the program from the top downward through the emperor. But they were very rapidly defeated.

In 1905, the Tongmeng Hui, headed by Sun Yat-sen, put forward a more comprehensive revolutionary program with the aim of establishing a bourgeois democratic republic. It carried out an extensive struggle in order to implement the program. Because Sun Yat-sen had already discovered the defects of the capitalist system in Western countries, and was influenced by the rising socialist movement in the West, he tried to add a certain socialist coloring to his program. But the purpose of Sun and his comrades was still to develop capitalism in China. Under the leadership of the Tongmeng Hui, the 1911 Revolution was successful. [paragraph continues]

The revolution overthrew the Qing Dynasty, which had become a tool of imperialism, and after the revolution, the Republic of China was founded. Therefore, it was a victory. However, the imperialist forces in China were not at all weakened by the revolution. The fruits of the revolution were usurped by Yuan Shikai, and other northern warlords whom imperialism favored. China remained a semicolonial and semifeudal society, and was still extremely poor and backward. The 1911 Revolution failed to attain its desired results.

After the 1911 Revolution, there emerged big and small political parties with names of all kinds. Many of them were the organizations of politicians and bureaucrats. Some perished very shortly after their birth. Some petit bourgeois political parties and organizations which flaunted the banner of anarchism, or a certain kind of socialism, were also devoid of vitality because they divorced themselves from practical reality and the masses. Apart from the KMT, which expanded from the Tongmeng Hui in the political arena shortly after the founding of the Republic of China, the most influential political party was the Progressive Party, with its spiritual leader Liang Qichao, who took part in the 1898 reform. Liang Qichao and other members of the Progressive Party were inclined to develop capitalism in China. But instead of opposing imperialism and feudal forces, they relied on the feudal warlords. After changing its name again and again, the Progressive Party eventually became a small group which changed quite often, and sought fame and benefit in official circles.

After the establishment of the KMT shortly after the founding of the Republic of China, many bureaucrats and opportunists sneaked into the party. The KMT lost the revolutionary nature of the Tongmeng Hui. Under heavy pressure from Yuan Shikai, the KMT split. Sun Yat-sen and others established the Chinese Revolutionary Party. Since they were weak, it was impossible for them to play a leading role in the struggle against Yuan Shikai. After the death of Yuan Shikai, Sun Yat-sen disbanded the Chinese Revolutionary Party. In October 1919, he reestablished the Chinese KMT. Although this party had a large number of members, its composition was complex. The party was loose, and its members went their own way. Before 1924, the party was in a state of paralysis, and was unable to propose any political view to mobilize the broad masses of people. However, the party had its historical achievement of the 1911 Revolution, and its nucleus, Sun Yat-sen and a small number of his comrades, persisted in opposing the northern warlords and strove for the progress of China. After a series of defeats and setbacks, they managed with great effort to establish a regime in Guangdong, which was pitted against the warlord government in the north. Therefore, at that time, the KMT was still a progressive and important force in Chinese political life.

In 1923, Sun Yat-sen was determined to accept aid from Soviet Russia, cooperate with the newborn CPC, and reorganize the KMT. Only thus was the KMT reinvigorated. In January 1924, the First National Congress of the KMT was held in which communists took part. Over the preceding 13 years since the 1911 Revolution, no such congress has been held by the KMT. Sun Yat-sen died in March 1925. Cooperation between the KMT and the CPC was still temporarily retained. Due to the cooperation between the KMT and the CPC, the revolutionary bases in Guangdong and Guangxi were unified, and the National Revolutionary Army was established. The workers' and peasants' movement rose continuously. Only thus was it possible to carry out the Northern Expedition. Only thus was the KMT able to enjoy a reputation and prestige among the Chinese people. At that time, if the national revolution based on KMT-CPC cooperation had been carried through to the end, and had been able to win a complete victory, what would have been the future of China? The program proclaimed by the first congress of the KMT was mainly aimed at abolishing the privileges of imperialism in China, overthrowing the warlords, and ensuring that peasants had their own land. With the implementation of the program, it would have been impossible for China to have become a socialist country. [paragraph continues]

Instead, China would have developed and create forceful conditions for the development of national capitalism. The program contained a clause on "controlling capital." In other words, unlike other capitalist countries, China would not let a small number of capitalists monopolize the national economy. But this did not mean pursuing socialism.

The KMT-CPC cooperation was given up halfway because of the betrayal of the KMT rightists. In 1927, the KMT seized political power over the whole country. The KMT did so by relying on the achievements of the national revolution based on the KMT-CPC cooperation, and through slaughtering the communists and other revolutionary elements. I do not intend to discuss the entire achievement of the KMT during its 22 years in power. I only intend to answer the question: Did the KMT regime develop Chinese national industry and commerce, and national capitalism. The answer is no. To answer this question, I intend to take the example of the cotton textile industry during the first 10 years of KMT rule (1927-1936). The reason I take these 10 years is that after 1937, the whole country entered the period of the War of Resistance Against Japan. The reason I take the cotton textile industry as an example is that at that time there was no heavy industry in China (our steel output in 1933 was only 35,000 tons). The cotton textile industry was always the most developed light industry.

In 1927, the number of spindles throughout the country was 3.675 million. In 1936, the number had increased to 5.13 million. The number of spindles belonging to factories run by foreign capital (most of them run by Japan, and a small number by Great Britain) had increased from 1.575 million to 2.356 million, an increase of nearly 50 percent. The percentage of their spindles among the total number of spindles throughout the country had increased from 42.9 percent to 46.2 percent. The number of spindles in factories run by Chinese businessmen had increased from 2.099 million to 2.746 million, an increase of 31 percent. Their percentage of the total number of spindles throughout the country had dropped from 57.1 percent to 53.8 percent.

The situation with weaving machines was almost the same. In 1927, the total number of weaving machines was 29,788. In 1936, the number had increased to 58,439. The number of weaving machines owned by foreign capital had increased from 16,329 to 32,936 an increase of more than 100 percent. The percentage among the total number of weaving machines throughout the country had increased from 54.8 percent to 58.1 percent. The number of weaving machines owned by Chinese businessmen had increased from 13,459 to 25,503, an increase of 90 percent. Their percentage of the total number had dropped from 45.2 percent to 41.9 percent. (Source: "Special Issue to Commemorate the 30th Anniversary of the founding of 'YINHANG ZHOUBAO' [BANKING WEEKLY]," published in 1948, pp 335-336]

Persons who are familiar with the situation at that time said: "Since the 21st year of the Republic of China (1932), due to the adverse influence of heavy taxes, the high price of cotton and low price of yarn, the cotton textile industry in our country could no longer support itself. During the second half of the 24th year of the Republic of China (1935), of the 59 cotton mills run by Chinese businessmen, 24 mills completely ceased production, and 14 mills reduced their production. Therefore, it was not appropriate to use the number of spindles and weaving machines as a yardstick to measure the rise and fall of the industry." (see above-mentioned "special issue," p 255) In other words, the actual situation was worse than the figure mentioned above. During the period of the rule of the KMT, the national capitalists involved in cotton textile industry were struggling in the depression. What was rising was the capital of imperialism in China.

The KMT regime could not solve the problem of China freeing itself from the rule of imperialism and winning its independence. [paragraph continues]

The survival of the KMT itself depended on the support of the imperialists. It was also impossible for the KMT to realize the unification of the whole country. There were numerous factions inside the KMT, which vied with one another for power. They were even engaged in large-scale internal strife. The KMT was unable to implement its plan of "giving a 25 percent rent reduction" let alone the scheme of land to the tillers proposed by Sun Yat-sen. Therefore, the existing feudal land relationships were not changed at all. Since the KMT regime was unable to change China's semicolonial and semifeudal status, it was naturally unable to make China capitalist. After seizing state power in the whole country, the KMT betrayed not only the purpose of its first congress characterized by the KMT-CPC cooperation, but also the propositions of the Tongmeng Hui, the predecessor of the KMT.

Shortly after the KMT seized political power, the middle class hoped that the KMT would develop the Chinese capitalist economy. But later they felt disappointed. After the War of Resistance Against Japan and the war after that, the KMT completely let them down.

III

When the CPC was established in 1921, it was only a small party composed of a score of members. At that time, the Chinese Communists already regarded socialist revolution as their task. However, not long after that, they realized that for the sake of China's progress, the revolution should start by opposing imperialism and feudalism. Due to the fact that it took an active part in the national revolution of 1925 to 1927, the members of the CPC increased to nearly 60,000. When the KMT implemented the policy of slaughtering the communists in 1927, the CPC became smaller. With their undaunted spirit, the communists devoted their main efforts to mobilizing the masses in the rural areas, carrying out land reform, establishing the Red Army and setting up bases. In what issues were the differences between the CPC and KMT reflected? At that time, the difference did not lie in whether China should pursue socialism. The final aim of the communists was to realize socialism and communism. But at that time, one thing they intended to do was to eliminate the feudal land relationships. Without land reform, it was impossible for capitalism to develop. It was impossible to ensure the development of socialism, which was to be promoted at a later stage. Therefore, Mao Zedong said: As far as its social nature is concerned, the dispute between the two parties is actually reflected in the issue of the rural relationships." ["On the Coalition Government"] Another basic task of the Chinese democratic revolution was to oppose imperialism. When the aggression of the Japanese increasingly made national contradictions a problem of primary importance, the CPC urged an end to the civil war, proposed that the two sides unite as one to resist Japan, and changed a policy of confiscating the land of landlords into that of reducing rents and interests. This promoted the establishment of the anti-Japanese National United Front which included those inside the KMT ruling clique who were willing to resist the Japanese. Although the War of Resistance Against Japan based on the second KMT-CPC cooperation experienced zigzags and setbacks, efforts persisted until the final victory. Under extremely difficult conditions, the CPC persisted in the anti-Japanese National United Front policy by continuing the War of Resistance behind the enemy lines, and insisting on uniting with the largest number of people. After the war, the CPC became a big party with a 1.2 million membership. The KMT and the CPC became the two big parties which could determine the fate of China.

After the War of Resistance Against Japan, the KMT and CPC held a series of talks (other democratic parties also participated). To realize peace at home and promote democracy and progress of the country, the CPC proposed the idea of establishing a democratic coalition government. The KMT once stated that it accepted the idea, but it finally broke faith with the CPC and launched a full-scale civil war with the support of U.S. imperialism. [paragraph continues]

It is appropriate to say that the anticommunist policy pursued by the KMT in 1927 led to the failure of the national revolution, so that China lost an opportunity to create beneficial conditions for the development of capitalism. After the War of Resistance Against Japan, the KMT stubbornly refused a democratic coalition government. China once again lost such an opportunity.

In his article "On Coalition Government" written in 1945, Mao Zedong said: "Some people fail to understand why, far from fearing capitalism, communists should advocate its development under certain given conditions. Our answer is simple. Substitution of a certain degree of capitalist development for the oppression of foreign imperialism and domestic feudalism is not only an advance but an unavoidable process. It benefits the proletariat as well as the bourgeoisie, and the former perhaps more. It is not domestic capitalism but foreign capitalism and domestic feudalism which are superfluous in China today; indeed, we have too little capitalism." These were the bases for the willingness of the CPC to continue to cooperate with the KMT to build the country after the War of Resistance Against Japan.

The idea of "certain development of capitalism" advocated by the communists did not mean that China would become a capitalist country. The forerunner of the Chinese democratic revolution, Sun Yat-sen, already considered the matter of what kind of country to build after the victory of the Chinese democratic revolution. On the one hand, he advocated the development of capitalism. On the other hand, he maintained we should not follow the old path of Western capitalism. This because he was worried about the possibility that this would lead to a bloody socialist revolution. The Chinese Communists also repeatedly considered this issue. In the 1930's they put forward a concept on the future development of "non-capitalism." Since the bourgeoisie was unable to lead and accomplish democratic revolution, the proletariat would play a great or even leading role in the revolution. Therefore, after the victory of the revolution, it was impossible to establish a country based on bourgeois dictatorship. However, the concept of "non-capitalism" was indistinct. In the 1940's, Mao Zedong proposed the concept of the new democratic revolution and the new democratic republic. This was an explicit answer proceeding from the national conditions in China. Mao Zedong explained: The new democratic republic meant a republic characterized by a "dictatorship jointly exercised by various revolutionary classes." To put it briefly, the economy of this country was characterized by the fact that "big banks, big industries, and big commerce are owned by the republic." He added: "This republic does not confiscate other capitalist private property, or ban the development of capitalist production, 'which does not manipulate the livelihood of the people' It is because China's economy is still very backward" ("On the New Democracy") Of course, establishing a new democratic republic could not but take the accomplishment of the anti-imperialist and antifeudalist task as its prerequisite.

However, the KMT leadership clique did not think that there was excessive foreign imperialism in China. On the contrary, it welcomed U.S. imperialism to replace Japanese imperialism in order to impose practical rule on China. It counted on its support, and was truly supported by it. Nor did the KMT leadership clique think that there was excessive feudalism in China, and was not willing to use democratic land reform and democratic politics to replace feudalism. The KMT leadership clique was not able to create any beneficial conditions for the development of national capitalism. On the contrary, it developed a huge bureaucratic capital. The bureaucratic capital was already formed before the war, and greatly expanded during the War of Resistance Against Japan. Taking the opportunity of the War of Resistance, it monopolized finance, devoured private capital when it encountered difficulties during the war, and pocketed a portion of or embezzled the U.S. financial aid. After the war, through taking over the assets of the enemy and the puppet regime, it plundered people's property by hook or by crook. Bureaucratic capital was expanded to the utmost.
[paragraph continues]

Around 1947, according to an estimation made by people at home, the private property of the big families of Chiang, Soong, Kung, and Chen was as large as \$10 billion to \$20 billion. Some 80 percent of the assets and capital of the whole country was in their hands. Not all their assets were at home. A very large portion was in the United States, Western Europe, or Latin America. American writer (Syrett) said: When the War of Resistance Against Japan was ending, "Kung and Soong families and others moved their property to various parts of Latin America, including large bank deposits in the banks of Caracas, Buenos Aires, and Sao Paulo. It has been reported that their property includes stocks in large enterprises such as oil, mining, ocean shipping, and so on. The emphasis of their investment is on railway and airline companies." He added: According to a friend of T.V. Soong, by 1944, Soong's property in the United States exceeded \$47 million. In 1949, U.S. bankers told congressmen that the Soong and Kung families had bank deposits in a sum of \$2 billion in Manhattan. The U.S. FBI investigated this matter, but no results of the investigation were announced. According to figures that had been revealed, Madame Chiang Kai-shek's deposits in Chase National Bank and National City Bank of New York were \$150 million. Deposits of Madame H.H. Kung and T.V. Soong in another bank were \$80 million and \$70 million respectively.

"Excessive foreign imperialism" and "excessive feudalism at home" could only benefit, rather than harm, the KMT bureaucratic capital. To protect its vested interests, the KMT leadership clique would rather fight a civil war than accept a democratic coalition government. They believed that with their superiority in terms of the number of troops, sophisticated weapons, strategy, and support by the United States, they would win the war. If they did win, China would remain a semicolonial and semifeudal country.

Why did the KMT completely fail in the civil war it provoked? It was because it lost support. Those who opposed it included not only workers, peasants, and young students, but also upper-class intelligentsia such as the majority of university professors and others, the majority of national industrialists and businessmen, and so on. It is appropriate to say that even those who wished China to take the capitalist road also abandoned the KMT. It was because they realized that such a bureaucratic capitalist force, which integrated itself with the landlord class and relied on foreign imperialism, was unable to lead China to embark on an independent and free capitalist road. The KMT was completely isolated from the people and it could not but be defeated. The following historical pattern was thus seen: The task of democratic revolution in China could not be accomplished by a certain force that represented the bourgeoisie.

IV

China did not embark on the capitalist road. This was because in the semicolonial and semifeudal China, no other political parties or political forces, except the proletarian political party, the CPC, could solve the problem of the independence of China (freeing the country from the rule and oppression of imperialism), the problem of land (emancipating peasants from the feudal land relationships), and the problem of democracy and unification (this problem was directly connected with the two problems mentioned above. Without solving those two problems, it was impossible for China to truly achieve its democratization and unification).

With the exception of the CPC, all political forces in old China either oppressed the masses of workers and peasants, feared the full mobilization of workers and peasants, or were unable to mobilize workers and peasants. Therefore, these political forces could only rely on imperialism, or fear the imperialist forces. [paragraph continues]

It was impossible to defeat the imperialist forces and the internal reactionary forces, which were supported by imperialism without mobilizing the broad masses of workers, peasants and petty bourgeoisie, and uniting with those who could be united. The only political party that could do so was the CPC. Peasants held the majority in the country, and were the largest forces that urgently demanded a revolution. However, due to their economic and cultural conditions, they had a certain backwardness. How should these forces be mobilized and be led toward a correct path? This was a key issue determining the success or failure of the Chinese democratic revolution. Only the CPC could solve the problem.

Since the victory of the democratic revolution was won under the leadership of the CPC, which relied mainly on the forces of workers, peasants, and petty bourgeoisie, it was of course impossible to establish a country ruled by the bourgeoisie after the victory of the revolution. Nor was it possible to develop capitalism under the rule of the bourgeois class.

While reviewing history, it might be allowed to suggest certain hypotheses.

At the critical juncture of winning the victory of the revolution in 1949, if the CPC was weak and vacillated and gave up its leadership and the state was lead by a certain bourgeois force, what would be the result? The result would be: The task of the democratic revolution, which had not yet been completed, could not be continued. This would also trigger the opposition of workers, peasants, and petty bourgeoisie. It was absolutely impossible to create a situation of stability for developing capitalism. Needless to say, the KMT would stage a comeback and imperialism would take this opportunity to invade China again. China would then return to its semicolonial and semifeudal status.

After the victory of the new democratic revolution led by the CPC, it was impossible to directly pursue socialism. The communists clearly realized that it was impossible to pursue socialism simply based on subjective wishes. According to the historical conditions then, it was the only correct road to march from new democracy to socialism.

On the eve of winning victory in 1949, the CPC explicitly proclaimed its three great economic programs of the new democracy: 1) Confiscate the land of the feudal class and distribute it among the peasants; 2) confiscate the monopolized capital of the KMT reactionary rulers and turn it to the new democratic state; and 3) protect national industry and commerce. The state-operated economy of the new democratic country was the earliest socialist economic factor that occupied a leading factor in the entire national economy. Mao Zedong said: "Bureaucratic capital has fully prepared material conditions for the new democratic revolution." While explaining the program of protecting the national industry and commerce Mao Zedong said again: "In view of China's economic backwardness, even after the countrywide victory of the revolution, it will still be necessary to permit the resistance for a long time of capitalist sector of the economy represented by the extensive upper petty bourgeoisie and middle bourgeoisie. In accordance with the division of labor in the national economy, a certain development of all parts of this capitalist sector that are beneficial to the national economy will still be needed. This capitalist sector will remain an indispensable part of the whole national economy." ("The Present Situation and Our Tasks," December 1947)

Due to the fact that the special privileges of imperialism in China were abolished and that the oppression by bureaucratic capital no longer existed, and that the nationwide land reform was completed, there were unprecedentedly beneficial conditions for the development of national capital which never existed in old China. [paragraph continues]

Of course, national capital could not develop as it did in capitalist countries. "Programs of the People's Consultative Conference" formulated shortly after the founding of the PRC stressed: "With regard to private economic undertakings that are beneficial to the people's livelihood, the people's government should encourage enthusiasm in running them and help their development." It added: "Under necessary and possible conditions, private capital should be encouraged to advance toward the direction of state capitalism." In other words, its development should be confined to the scope of "benefiting people's livelihood." Its direction of development was not the same as that in capitalist countries.

Some people might ask the following question: Why were we not allowed to pursue new democracy alone, without transition to socialism?

It was impossible for us to do so. Socialist economy already existed in the new democratic society. This mainly referred to state-operated economy (at that time, the socialist cooperative economy was very meager). The support by the state was indispensable for the private capitalist economy. It could not but establish various kinds of links with the state-operated economy. It was an inevitable trend that it would turn to state capitalism based on cooperation between the state and individuals. In 1956, with the basic accomplishment of the socialist transformation of agriculture, handicraft and capitalist industry and commerce, we succeeded in promoting the transition from the new democracy to socialism. It was faster than we predicted in 1952 and 1953. The objective situation provided such possibility and necessity. All this was independent of man's will. The fact that the transition was so smooth proved that the policy implemented by the party and state completely conformed with the objective demand.

Some other people might say that since China never had a capitalist society, it is inappropriate to establish a socialist society in the country.

This view is wrong. It is true that China never entered a stage of independently developing capitalism, let alone the stage of developed or comparatively developed capitalism. The specific historical conditions in China determined that it was impossible for the country to enter such a stage. However, China passed through capitalism in a special form. Although we cannot regard a semicolonial and semifeudal society as a capitalist society, capitalism already occurred in this society (the capital of foreign imperialism, bureaucratic capital, and national capital). Therefore, proletariat, bourgeoisie, and petty bourgeoisie existed in this society. Otherwise, it was impossible for us to have a new democratic revolution led by the proletariat and to proceed from new democracy to socialism.

Some people might say: China suffered losses because it did not enter a stage of developed capitalism. After embarking on the socialist road, we encountered many difficulties, and made many mistakes. All these difficulties and mistakes were connected with "poverty and blankness" (backward economy and culture). The reason we were "poor and blank" was that we failed to enter the stage of developed capitalism.

To us, if this meant "suffering losses," we did get the worse of it. Since history did not permit us to enter the stage of developed capitalism, we could only skip it, and started to build a socialist society on the bases of "poverty and backwardness."

Modern China history only gave the Chinese two roads to follow: One, continue to be a colony and dependent on imperialist countries (if the Communist Party failed to lead the people to carry out a resolute struggle or always made mistakes in the method of struggle and the revolution failed because of this, we could only follow this road); second, was the road we actually took by advancing from new democracy to socialism.

Were there any other roads? In other words, China might possibly become an independent capitalist country, but it would never become a developed country. It could only start from an extremely undeveloped capitalist road. While saying this, I do not consider whether international conditions allowed China to become an independent but undeveloped capitalist country, or whether they allowed China to progress from undeveloped to developed capitalism. If such a big, economically and culturally backward country like China hobbled on the capitalist road, it was imaginable that there would be acute social contradictions and class clashes and the people would pay a bitter and bloody price. In old China, millions upon millions of people became destitute and homeless, tens of thousands of poor people died of starvation, and tens of thousands of women became prostitutes. All these things would recur.

It is obvious that to free itself from the semicolonial and semifeudal status, China must advance from new democracy to socialism. This is not a path of "suffering losses." If we follow the capitalist road, we will encounter difficult and setbacks several times, or even some ten times greater than the present ones (some might expect that there would be large-scale bloodshed and revolution). That would be a long path without a future.

It has been more than 30 years since we embarked on the socialist road. We have truly encountered many difficulties and made many mistakes. However, the present achievements that China has made in its economic and cultural development could not be attained if the country embarked on the capitalist road.

People can play an initiative role in historical development. But it is impossible for them arbitrarily to choose the road of advance. They only make certain choices under practical conditions prepared by history. The road chosen by the Chinese people is the best road permitted by necessary historical conditions.

Some people maintain: Since China did not enter the stage of developed capitalism, it should abandon the socialist road and take the capitalist road to "make up a missed lesson." The fallacy of this viewpoint can be discovered from my argument mentioned above.

However, in the course of building socialism, if we say that we should learn things from other nations that they have mastered under the capitalist system and that are necessary for the building of socialism, this view is correct.

Here, I will briefly talk about the relations between capitalist society and socialist society. Only by eliminating bourgeois ownership, which rules a capitalist society, can we establish the socialist public ownership system. Therefore, basically speaking, the socialist system is antagonistic to the capitalist system. However, viewing the matter from another angle, we know that the material foundation for eventually eliminating private ownership is socialized mass production. Socialized mass production is prepared by capitalism. While overthrowing the rule of the bourgeois class, the proletariat should inherit and utilize socialized mass production to build socialism. In other words, there exist the relations of inheritance between socialist and capitalist society. Marx and Engels said: "History is nothing but an orderly succession of one generation by another. In each succession, the materials, funds, and productive forces left over by the previous generation are utilized." ("German Ideology") [paragraph continues]

While socialism deals with capitalism, it cannot but follow this way.

Lenin also stressed that capitalist society prepared many ready-made things for socialism. He said: "Capitalism has established some statistics organs such as banks, syndicates, post offices, consumer cooperatives, federations of staff members, and so on. Without a large bank, it is impossible to realize socialism." He added: "We should regard it (the large bank) as a ready thing and snatch it from capitalism. Our task in this regard is to cut off things that capitalism uses to vilify the wonderful organ so that it will become a large, more democratic, and all-embracing organ." ("Complete Works of Lenin," Vol 26, p 87)

Public ownership of socialism can inherit from the old society socialized mass production, and, in accordance with the interests of the people, will develop it to a larger scale not permitted by the capitalist system. This is where the fundamental superiority of socialism lies. Different processes and lengths of time are needed in different countries to turn this possibility into reality.

As far as socialist construction is concerned, of course the more "heritage" it inherits from capitalism, the more useful it is. Theoretically speaking, it will be easier to carry out socialist construction in developed capitalist countries after the victory of the proletarian revolution. However, in an era in which the capitalist system rules the whole world, what link in the entire chain of capitalism will be broken off first is not purely determined by the level of productive forces of the countries concerned. That which plays a role in this regard includes international conditions, the balance of class forces at home, the development of class struggle, and so on. Actually, since the October Revolution in 1917, it has not been the most developed capitalist countries which have entered socialism.

Lenin pointed out: "Due to the fact that Russia "was the most backward country in Europe," it encountered special difficulties after the revolution. He added: "Compared with various advanced countries, it was easier for the Russians to carry through the revolution to final victory and to complete the task of building a socialist society." ("Complete Works of Lenin," Vol 29, p 277) This is, of course, the case with China.

After the October Revolution in Russia, there were some "leftist communists." They regarded all things that were connected with the bourgeoisie as incompatible with socialism and maintained that they should be discarded. In view of this naive viewpoint, Lenin said: "Without utilizing the technical and cultural achievements of big capitalism, it will be impossible to realize socialism." ("Complete Works of Lenin," Vol 27, p 324) He continued: "Without capitalist cultural heritage, we cannot build socialism. We cannot use things other than those left over to us by capitalism to build communism." ("Complete Works of Lenin," Vol 29, p 131. "Capitalist culture" mentioned in the article refers to culture in a broad sense)

Lenin repeatedly stressed: After the completion of the task of socialist revolution, we should assign the tasks of "learning from the organizers of the trust," and "learning from industrialists and businessmen," who had "experience in mass production." He added: "We should learn from them. Because our knowledge is not sufficient, and we have not such knowledge. We have socialist knowledge, but lack the knowledge of organizing tens of millions of people, and the knowledge of organizing and distributing products. The Bolshevik leaders of the older generation did not teach us all these. In this regard, the history of the Bolshevik Party has nothing to parade. We have not yet learned this subject. [paragraph continues]

Therefore, we say: Whether this businessman is a swindler or not, we should learn from him as long as he organized trust, was engaged in the production and distribution for tens of millions of people, and has experience. If we fail to learn these things from them, it will be impossible for us to build socialism, and the revolution will stagnate." ("Complete Works of Lenin," Vol 27, pp 271-272)

After the victory of the Chinese revolution, Mao Zedong also assigned a similar task. He said: "The serious task of economic construction lies before us. We shall soon put aside some of the things we know well and be compelled to do things we don't know well. This means difficulties." He added: "We must overcome difficulties, we must learn what we do not know. We must learn to do economic work from all who know how, no matter what they are. We must esteem them as teachers, learning from them respectfully and conscientiously. We must not pretend to know when we do not know. We must not put on bureaucratic airs." ("On the People's Democratic Dictatorship") What he said was undoubtedly correct.

As mentioned above, it was not the fact that the old society in China did not leave capitalist heritage to us at all. But it was truly too meager.

In a country with a backward economic foundation, if specific historical conditions enabled the proletariat to lead the people to carry out the great undertaking of socialist revolution and socialist construction, the proletariat must not shrink — it was completely correct for the CPC to do so.

However, after starting the socialist undertaking, we should fully estimate the difficulties resulting from the lack of sufficient capitalist "heritage." Therefore, we should be good at making use of various transitional economic forms to build socialism, and attach importance to the capitalist experience and knowledge on mass production, including science, technology, management methods, and so on. In our socialist construction, it is completely wrong if we neglect the necessity of doing so for a long time, or even think that this practice violates the socialist principle.

The present economic power of our country and society is much stronger than 30 years ago. However, we should also admit that our country is still in the initial stage of socialism. Since the 3d Plenary Session of the 11th CPC Central Committee, we have abolished the rigid concept on socialist pattern formed before the session, and implemented various policies and measures aimed at promoting economic structural reform, and enlivening urban and rural economy. For example, we have implemented the contract system of responsibility linked to production in the rural areas, strived to fully develop commodity economy under the prerequisite of integrating planned economy with commodity economy, made use of individual economy and various kinds of private economy as a supplement to the public economy, and so on. From these measures, we may find that we do not reject to derive experience from the economic life of the previous class society, and capitalist society in particular. But this does not mean making up a missed capitalist lesson. This means that proceeding from the specific national conditions of our country, we adopt socialist policies and measures which conform with the situation in the initial stage of socialism.

During the initial stage of socialism, opening up to the outside world is a matter of special significance to our country.

"The Decision of the CPC Central Committee on Economic Structural Reform" says: "We must draw on the world's advanced methods of management, including those of developed capitalist countries, that conform to the laws of modern, socialized production." The "Resolution of the CPC Central Committee on the Guiding Principle for the Building of Socialist Spiritual Civilization" also stresses: "We should do our utmost to learn from all countries (including the developed capitalist countries), to acquire advanced science and technology, universally applicable expertise in economic management and administrative work and other useful knowledge and to verify and develop in practice what we have learned." Among other things, the reason it is important to open up to the outside world is that we should learn from various countries in the world, including developed capitalist countries. We should learn things from them which are needed by socialism, and things which we lack.

Although we should learn these things, it is unnecessary and impossible for us to embark on the capitalist road. Under the socialist system, we can learn faster and better -- the first conclusion of this article.

What we should learn are things which are useful and necessary to socialist construction. With regard to those things which uphold the social system and ideological system of capitalism characterized by exploitation and oppression, and those ugly and decadent capitalist things, just as "Resolution of the CPC Central Committee on the Building of Socialist Spiritual Civilization" has pointed out, we should resolutely discard them -- the second conclusion of this article.

The socialist system has taken root on the vast land of China. Although it is still a young plant, it has demonstrated its exuberant vitality. The socialist system will not grow up spontaneously. As long as we are good at nurturing it, it will definitely become a towering tree -- the third conclusion of this article.

GONGREN RIBAO COMMENTATOR URGES UNITY OF THINKING

HK060955 Beijing GONGREN RIBAO in Chinese 14 Feb 87 p 1

[Commentator's article: "Seek Ideological Unity on the Basis of the Line of the Third Plenary Session"]

[Text] Our primary tasks on the ideological front in 1987 are to combat bourgeois liberalization and conduct positive education for upholding the four cardinal principles among the people of the whole country. Through this education, they are required to reach a common understanding on the line laid down since the 3d Plenary Session of the 11th CPC Central Committee so that they will be able to implement it correctly and in an all-round way.

In recent years, the ideological trend of bourgeois liberalization ran wild in our country. This is fundamentally due to the fact that our political and ideological front was slack, that we were not bold enough to uphold the four cardinal principles, and that we failed to resist the attack of the ideological trend of bourgeois liberalization. Advocating bourgeois liberalization is totally against the line of the 3d Plenary Session of the 11th CPC Central Committee. Therefore, the struggle against bourgeois liberalization is crucial to whether the line, principles, and policies laid down since the Third Plenary Session can be correctly followed. And it is also crucial for the question of who will succeed in our cause and for the destiny of our party and state and the future of the socialist cause. [paragraph continues]

As for workers and other employees, the struggle will teach them how to uphold the four cardinal principles and how to correctly understand the line, principles, and policies formulated since the Third Plenary Session and implement them in all-round way.

What, then, does the line laid down since the Third Plenary Session entail? In his important speech made at the Spring Festival get-together, Comrade Zhao Ziyang made a penetrating and comprehensive analysis of the line. He said: "In the opinion of the party Central Committee, the line entails proceeding from China's actual conditions to build socialism with distinctive Chinese characteristics. It is fashioned on two cornerstones: Persisting in the four cardinal principles on the one hand; and sticking to the policy of carrying out reform, opening up to the outside world, and invigorating the domestic economy on the other. The two cornerstones are interrelated, and neither can do without the other. To deny the four cardinal principles is to pull the rug out from under the policy of carrying out reform, opening up to the outside world, and invigorating the domestic economy and to lose the orientation of the policy. And without carrying out reform, opening up to the outside world, and invigorating the domestic economy, it would be impossible to rapidly boost the social productive forces and build socialism with salient Chinese features. To talk about one cornerstone without mentioning the other is inconsistent with the party line that we have followed since the Third Plenary Session." It must be acknowledged that many comrades do not have a clear and comprehensive understanding of the two cornerstones of the line laid down since the Third Plenary Session. The main reason for the appearance of errors and deviations in the political and ideological spheres for a time in recent years is that we failed to take a firm hold of the two cornerstones simultaneously -- paying attention to one while neglecting the other.

Some comrades only keep reform, opening up, and invigoration in mind, but neglect and even forget the four cardinal principles. As a matter of fact, our policies for reform, opening up, and domestic economic invigoration all aim at reform. Herein lies the question of orientation, that is to say, which direction reform should take -- socialism or capitalism. The party Central Committee has repeatedly stressed that as a form of self-improvement of the socialist system, our reform is to be carried out. On no account does this mean that we should "give up" the socialist system and "make a new start." That is why we should uphold the four cardinal principles. A failure to understand the importance of the question will confuse us, get us lost and make us fall into serious error.

Not only do some comrades themselves ignore and even forget the four cardinal principles, they also criticized comrades who uphold "the four cardinal principles for not being creative and for having rigid thinking" and for "having no aggressive spirit or determination to carry out reform." At the same time, some comrades only stress upholding the four cardinal principles but ignore and even forget the policy of carrying out reform, opening up to the outside world, and invigorating the domestic economy. Those people regard reform, opening up, and domestic economic invigoration as ghosts, and even equate them with capitalism. Facts demonstrate that if there are no policies for reform, opening up, and domestic economic invigoration, if there is no change in the rigid structure, and if the country is still locked behind closed doors, it will be impossible to rapidly boost the social productive forces and build socialism with distinctive Chinese characteristics. Upholding the four cardinal principles and sticking to the policy of carrying out reform, opening up to the outside world, and enlivening the domestic economy are an indivisible whole. To stress one without paying attention to the other is inconsistent with the line laid down since the 3d Plenary Session of the 11th CPC Central Committee. At present it is necessary to emphasize safeguarding the four cardinal principles because the ideological trend of bourgeois liberalization became widespread for a time in recent years. [paragraph continues]

The purpose of waging the struggle against bourgeois liberalization is precisely to correctly implement the line, principles, and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee in an all-round way, and the struggle constitutes an important step toward the implementation of the Resolution of the CPC Central Committee on the Guiding Principles for Building Spiritual Civilization.

We are creating a lively political situation marked by both democracy and centralized leadership, discipline and freedom, and unified will and peace of mind, which the whole party and the people of the whole country have been looking forward to, seeking and fighting for all along. We are convinced that after the people of whole country reach a common understanding on the line laid down since the Third Plenary Session through education on upholding the four cardinal principles and combating bourgeois liberalization, the divine land will be permeated with a great atmosphere of democracy, unity, and liveliness; the enthusiasm of workers, peasants, intellectuals, and cadres for socialism will be heightened; and we will make a great step forward in all lines of work.

COMMENTATOR STRESSES CARDINAL PRICIPLES, REFORMS

HK100657 Beijing BAN YUE TAN in Chinese No 4, 25 Feb 87 pp 4, 5

[Commentator's article: "Opposing Bourgeois Liberalization Will Certainly Promote Reforms and Opening Up to the World"]

[Text] The purpose of adhering to the four cardinal principles, opposing bourgeois liberalization, carrying out reforms, opening up to the world, and invigorating the domestic economy is to build socialism with Chinese characteristics. This unanimity of purpose determines that the struggle against bourgeois liberalization will promote reforms and the work of opening up to the world and enlivening the domestic economy.

Some people still have unnecessary misgivings. Some comrades are worried that the policy of reforms, opening up to the world, and enlivening the domestic economy may change as a result of laying emphasis on opposing bourgeois liberalization. Some comrades who were active in reforms are now afraid that unavoidable mistakes in reforms will be regarded as part of bourgeois liberalization. They dare not continue their explorations of reforms. Dispelling these misgivings is beneficial to both the struggle against bourgeois liberalization and the policy of reforms, opening up to the world, and enlivening the domestic economy.

Adhering to the four cardinal principles, opposing bourgeois liberalization, and upholding the policy of reforms, opening up to the world, and enlivening the domestic economy are related to each other. None of these aspects is dispensable. Adhering to the four cardinal principles and opposing bourgeois liberalization will provide an environment of stability and unity for reforms, opening up to the world, and enlivening the domestic economy. Without opposing bourgeois liberalization, reforms, opening up to the world, and enlivening the domestic economy cannot be continued or will go astray. Similarly, adhering to the four cardinal principles and opposing bourgeois liberalization cannot be divorced from reforms, opening up to the world, and enlivening the domestic economy. Without persisting in reforms, opening up to the world, and enlivening the domestic economy, China will follow the beaten track under "leftist" ideological guidance again, the socialist system will lose its vitality, the development of the national economy will slow down, the people's standard of living cannot be improved, and the democratic and legal systems cannot be perfected.
[paragraph continues]

Under such circumstance, no mass foundation will be available in adhering to the four cardinal principles. Not only should we see the role of the four cardinal principles in ensuring reforms, opening up to the world, and enlivening the domestic economy, but we should also understand the role of the latter in promoting the former. In this sense, the prosperous development of reforms, opening up to the world, and enlivening the domestic economy marks the healthy development of the struggle against bourgeois liberalization.

To resolutely implement the policy of reforms, opening up to the world, and enlivening the domestic economy, it is necessary to adhere to the four cardinal principles, to carry forward the spirit of exploration, and to correctly handle mistakes in the course of exploring and creating new things. Mistakes in the course of exploring and creating new things are essentially different from the mistake of engaging in bourgeois liberalization. The purpose of the former is to build socialism with Chinese characteristics, whereas the purpose of the latter is to negate the socialist system and party leadership and to advocate the capitalist road. These two must not be confused. Reforms are a difficult and complicated social system engineering for which there is no ready-made pattern to follow. Without explorations, we cannot make it a succeed. Mistakes in the course of explorations are unavoidable. But these mistakes must not be considered part of bourgeois liberalization. Bourgeois liberalization has a fixed meaning. No "elaboration" of this meaning is permissible. Considering mistakes in the course of reforms as part of bourgeois liberalization is in essence asking people to stick to old conventions and rest content with things as they are. The consequence will be but hampering and abandoning reforms, which does not correspond with the party's policy implemented since the 3d Plenary Session of the 11th CPC Central Committee. We should encourage and support theoretical workers in applying the basic theories of Marxism to their bold explorations and studies of the new situations, new experiences, and new problems in the course of socialist modernization, reforms, and opening up to the world. We should also encourage and support cadres and the masses in making good suggestions on reforms and opening up to the world. Advanced foreign technology and managerial experience suited to the country's conditions should be introduced and studied. Do not regard such an introduction and study as practicing capitalism. While carrying out reforms and opening up to the world, one should not be afraid of making mistakes; and once mistakes occur, they should be corrected. It is permissible to make mistakes and impermissible to brand those who make mistakes in the course of explorations and studies.

The spring of 1987 is a spring of opposing bourgeois liberalization and a spring of "reforms, opening up to the world, and enlivening the domestic economy" as well. We have reasons to predict that so long as we resolutely follow the CPC Central Committee's plans, we will be able to remove the interference by bourgeois liberalization and to blaze a new trail in reforms, opening up to the world, and enlivening the domestic economy.

XI ZHONGSUN REAFFIRMS CONTINUATION OF OPEN POLICY

HK091231 Guangzhou NANFANG RIBAO in Chinese 6 Mar 87 p 1

[Report by Chen Yongze (7115 3057 3411): "When Meeting With Mr Gordon Wu, Xi Zhongxun States That We Can Only Advance and Not Retreat in Reform and Opening Up"]

[Text] Yesterday morning Xi Zhongxun, a member of the Political Bureau of the CPC Central Committee, met Mr Gordon Wu, public figure in Hong Kong, member of the Board of Directors and managing director of the Hopewell Enterprise Corporation, in Guangzhou's Zhongguo Hotel at the latter's invitation.

During the meeting, Mr Wu told Xi Zhongxun his tentative plans on carrying out transport and energy undertakings in China. When asked by Mr Wu whether the present policy of reform and opening up would change, Xi Zhongxun unequivocally replied: "Our policy of reform and opening up is a collective decision of the party Central Committee and it will not change because of a specific personnel change in the central authorities. The current political and economic situation is very much to our advantage. We will make full use of this fine situation and carry out the reform and opening up. In so doing, we can only advance and not retreat."

RENMIN RIBAO CRITICIZES MALPRACTICE IN IMPORTING

HK100833 Beijing RENMIN RIBAO in Chinese 8 Mar 87 p 1

["Weekly forum" by Li Yuxing (2621 4416 5281): "Rethinking a Strange Incident"]

[Text] The other day, XINHUA NEWS AGENCY reported a "strange" incident: Kunming's Huaxing Electronics Joint Company bought at a high price of \$200,000 a set of second-hand button battery equipment from Hong Kong that was mainly produced by China. For a period of time, there were several similar strange incidents. While reading criticism in several newspapers, people may ask: Why are there such strange incidents?

Indeed, strange incidents of this kind give people much food for thought. In my opinion, there are the following three reasons for the emergence of the incident.

1. Some comrades believe that everything foreign is good, so they act blindly in importing foreign technology. To build socialist modernization, we must import advanced science, technology, and management experience from developed countries and regions. Adopting the closed-door policy and having parochial arrogance would result in backwardness; this is beyond doubt. But we should not improperly belittle and unduly humble ourselves. In fact, not everything in foreign countries and Hong Kong and Macao is advanced, and not everything in China's interior is backward. The reason for the occurrence of this strange incident is that the set of button battery equipment was in Hong Kong, so its price increased and led to "selling China's exports to China." It must be admitted that the people concerned had some blind ideas on the matter.

2. When importing the equipment from Hong Kong, people failed to conduct a feasibility study and their bureaucraticism was doing mischief. Before importing an item, the relevant departments usually conduct a serious investigation. They would ask such questions as: Is the technology or equipment really advanced? Is it certain that China's interior is unable to produce the technology or equipment? What are the economic results of the technology or equipment? Is it worth importing the technology or equipment? They would make a decision after studying all the above problems. There are now two defects: On the one hand, regarding some items that should be imported and some joint-venture items, there are too many obstacles and disputes, and the approval of an item requires dozens or several hundred official chops. On the other hand, some items that are not urgently needed have been imported or some items have been imported time and again. Consequently, some equipment that was imported at a cost of a huge amount of foreign exchange was stocked in wharf warehouses because no one came to claim and collect it, or the equipment was collected but placed in the open air, without anyone to take care of it. This being the case, the occurrence of similar strange incidents is by no means strange.

3. Some people concerned had ulterior motives. In recent years, many people visited foreign countries in the name of "making an investigation." Most of them put work above all, devoted themselves to studying foreign things, and practiced economy. But a handful of people planned day and night after the announcement of their visit on how to go sightseeing and how to buy more "large pieces" [television sets, stereos, refrigerators, or other luxury consumer goods] with minimum foreign currency. As a result, they ignored their business and made mistakes. The participants in the above strange incident — namely, 14 persons including the director of the Yunnan Provincial Electronic Industry Bureau, the manager of the Kunming Radio Plant, and the general manager of the Huaxing Company — made a 10-day visit to Hong Kong before importing this set of equipment. How did they conduct research during the "visit?" What did they find during the "visit?" Nobody knows. People can have an inkling of the matter from the relationship between the two parties of the strange incident: The seller of the set of imported equipment is Hong Kong's Dongyang Electronics Company, and the buyer is Kunming's Huaxing Company. Huaxing Company is a joint venture enterprise set up by the Kunming Radio Plant and Hong Kong's Dongyang Electronics Company in Kunming.

Our country is very poor, with limited financial power. We are particularly short of foreign exchange so we must use foreign exchange in places where foreign exchange is most needed and use little money to do other things. All departments and enterprises must always study this problem. We must prevent the occurrence of such strange incidents as the case of Kunming's Huaxing Electronics Joint Company and severely punish those "prodigals" who violate law and discipline who act wildly in defiance of the law and public opinion.

ZHANG HAORUO URGES PROPER USE OF FOREIGN CAPITAL

HK091105 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1316 GMT 6 Mar 87

[Text] Beijing 6 March (ZHONGGUO XINWEN SHE) — Zhang Haoruo, vice minister of foreign relations and trade, said here today that the impact of China's political and economic structural reforms on the use of foreign capital will be for promotion only.

According to him, a key link to reforms is to strengthen the vitality of enterprises, and their sense of competition, their competitiveness in the international market in particular. Therefore, it is all the more necessary to use foreign capital, to import advanced technologies and managerial methods. While using foreign capital, it is necessary to simultaneously push forward China-made products to help in the balance of foreign exchange, to promote the improvement of the domestic industrial level, and to strengthen the capability of domestic technological exploitation.

That China is reducing its excessive scale of capital construction is precisely to guarantee the investment orientation of key projects. Zhang Haoruo made this statement at a press conference held by the All-China Journalists' Association.

According to him, China made bigger strides in borrowing foreign capital in 1986 than the previous year. The volume of foreign capital borrowed in newly initialled agreements (contracts) totalled \$6.94 billion, up by 96.6 percent from 1985, of which \$4.83 billion was actually employed, up by 93 percent from 1985. On the whole, foreign loans in 1986 almost doubled from 1985.

He says that China's absorption of direct investment by foreign entrepreneurs continued to develop on a normal track in 1986.

The number of approved projects (contracts) and the volume of foreign capital involved in agreements (contracts) were less than 1985, with a volume of \$3.308 billion worth of foreign capital involved in newly initialled agreements, and 1,462 approved projects of joint ventures, enterprises in cooperation, and wholly foreign-owned enterprises. However, the actual volume of capital invested by foreign entrepreneurs grew by 10 percent from 1985.

According to Zhang Haoruo, the Chinese Government encouraged more investment in production-type enterprises in 1986. The approved projects of industry, agriculture, animal husbandry, fishery, transportation, post and telecommunications accounted for 76 percent of all the projects, while projects of general services such as the hotel industry, taxi companies, and the developing and enlarging of color photos have come under control. Between 1979 and 1985, approved production projects accounted for only 45 percent of all enterprises. Among production-oriented enterprises, the number of comparatively high technical standards increased. In those newly approved enterprises with foreign investment, the number of such enterprises with their revenues higher than expenditures or in balance in foreign exchanges increased.

Among those joint ventures, enterprises of cooperation, and wholly foreign-owned enterprises, more than 3,000 of them have been put into production or operation, and the overwhelming majority are good or comparatively good in their management. A small number of enterprises met with various problems. As is universally known, the Beijing Jeep Manufacturing Corporation met with some difficulties in importing parts in the first 6 months of 1986. With the efforts of Chinese Government departments at all levels in resolving their problems, the corporation has recovered its vitality and vigor, and made a profit of more than 40 million yuan, with its revenues and expenditures in foreign exchange balanced.

A U.S. international management corporation surveyed 70 U.S. corporations investing in China. Their self-evaluation of the operating conditions for enterprises investing in China are as follows: The number of enterprises in very good condition accounted for 22 percent; those in good condition accounted for 28 percent; those in average condition accounted for 44 percent; and unsuccessful enterprises accounted for 6 percent.

Zhang Haoruo concluded that the above conditions have demonstrated that the scope of foreign use capital in China was still expanding in 1986, quality was somewhat improved, and the work of using foreign capital is entering a new phase of steady development with good results.

REFORM BRINGING ENTERPRISES MORE AUTONOMY

OWO91202 Beijing XINHUA in English 1151 GMT 9 Mar 87

[Text] Beijing, March 9 (XINHUA) -- Economic reforms introduced in China's industrial enterprises are progressing steadily, the Vice-Minister of the State Economic Commission, Zhang Yanning, said today.

He cited the following examples of the ongoing progress:

-- Since overall state financial control was eliminated, enterprises now have more capital in hand, and last year, enterprises nationwide held on to 24 billion yuan (6.5 billion U.S. dollars), a sixfold increase over 1979.

- The reduction of mandatory state production quotas has allowed enterprises to have more power in arranging production schedules;
- Now 40 percent of the country's state-owned enterprises have implemented the director responsibility system;
- Enterprises now control distribution which is directly related to profits and economic responsibility;
- Wage and labor system reforms are in full swing;
- Cooperation among enterprises is continuing to develop, with 7,000 cooperative enterprise organizations and groups already set up nationwide.
- Diversification of business practices such as management contracts, and leasing and share systems are being introduced on a trial basis in some enterprises.
- Technological renovation of existing enterprises using their own funds, and the use of state loans to import advanced technology has been accelerated;
- And of the 3,000 state key projects using imported technology, 60 percent have started production and product quality has been improved.

DIRECTOR RESPONSIBILITY SYSTEM PLANS UNAFFECTED

HK100414 Beijing CHINA DAILY in English 10 Mar 87 p 1

[By staff Reporter Dong Lisheng]

[Text] Despite the current effort to combat bourgeois liberalization, China's plan to install the director responsibility system in the country's industrial enterprises by 1990 will still be put into effect, said Gu Ming, head of the Economic Laws and Regulations Centre of the State Council.

"Strengthening the Communist Party's leadership doesn't mean that the party should monopolize everything," Gu said in an interview with CHINA DAILY.

"In the industrial sector, we will never return to the old practice of again putting the director responsibility system under the party committee," he stressed.

He pointed out that the party and government's policy of invigorating the economy and opening to the outside world was formed at the same time the four cardinal principles were laid down in 1979. "So it is wrong to set the two in opposition," he said.

Introduction of the director responsibility system agreed with these policies, he continued. The orientation of the reforms of the economic and political structures was to separate the government from the routine operation of enterprises, and the party from the government. In this respect, the rural reform was successful, he said.

The director responsibility system was believed to be most suitable for enterprises after experiments had been carried out with some other systems after 1979, he said. Forms that were tried included director responsibility systems under the board of trustees, the party committee and the Workers' Congress.

So far, about 28,000 out of 54,000 state-run large and medium-sized industrial enterprises have installed the director responsibility system. "After the party Central Committee and the State Council promulgated three sets of new regulations to promote the system last September, the pace of popularizing it quickened," Gu said.

The new system was first tried out in 1984 in 191 enterprises in Beijing, Tianjin, Shanghai, Dalian, Shenyang and Changzhou. According to a survey of about 2,000 enterprises that tried the system in these cities, 90 per cent had achieved the anticipated results, he said.

To improve the system, some enterprises have been experimenting with the term-target responsibility system, he said. Under this, a director would set targets at the beginning of his or her term of service. After the term expired, higher authorities would arrange auditing and accordingly decide on the director's promotion or demotion. If irregularities were found, the director would be dealt with according to the law and discipline.

The National People's Congress is discussing and drawing up a law for State-run industrial enterprises, Gu disclosed. "After it is passed, it will help enterprises operate in a more orderly way," he added.

To raise the political and professional level of the directors and to invigorate enterprises, the central Government recently decided to train more than 25,000 senior managers and directors — about half the total at the country's big and medium-sized enterprises — over the next four years, Gu said.

YU QIULI DISCUSSES THEORETICAL WORK IN PLA

NK070244 Beijing JIEFANGJUN BAO in Chinese 27 Feb 87 p 1

[Report: "Yu Qiuli Receives Directors of Theoretical Research Offices of All Major Units of the Armed Forces Attending a Forum Held by the Propaganda Section of the PLA General Political Department"]

[Text] Yu Qiuli, director of the PLA General Political Department, received comrades attending a forum of directors of the theoretical research offices of all major Army units on 26 February, emphasizing that theoretical work must be strengthened and the role of the theoretical contingent should be brought into full play in the education in adhering to the four cardinal principles and opposing bourgeois liberalization.

In order to conduct this important education in depth in the whole Army by strengthening theoretical guidance, the Propaganda Section of the General Political Department held this forum from 23 to 26 February. Comrades attending the meeting held that the current situation in the Army's education is good. Party committees at all levels attach great importance to this education. Many units give study courses to leading cadres, carry out education pilot schemes, compile study materials, and send cadres to explain the relevant central documents at the grass-roots units. This is a round of general education in basic Marxist theory and a round of intensive education in the party's line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee. [paragraph continues]

We must successfully conduct this education in light of the requirements set by the party central leadership and the Central Military Commission. The key is to strengthen theoretical guidance and to give explicit and convincing answers to the questions concerning the fundamental political principle and the political orientation. We must let cadres and soldiers know what is right and what is wrong and must also let them understand why this is right and why that is wrong. Through this education, we should enable our cadres and soldiers to distinguish right from wrong and achieve a higher degree of political consciousness to lay a more solid theoretical foundation for adhering to the four cardinal principles.

Comrades attending the meeting held: In order to make the education succeed it is necessary to proceed from reality and pay attention to the actual results. Different study requirements should be laid down for different people. Cadres, especially leading cadres, are required to read more books and especially study Comrade Deng Xiaoping's important theses on adhering to the four cardinal principles and opposing bourgeois liberalization; at the same time, they should also selectively study some basic Marxist, Leninist, and Mao Zedong Thought works. At the grass-roots units, education should mainly be carried out through giving lectures to soldiers and organizing them to discuss some relevant issues. Leading cadres should go to the grass-roots units to explain and publicize the relevant documents and pertinently answer some questions raised by cadres and soldiers. For cadets of military academies, special time should be arranged for studying documents and basic Marxist theory; meanwhile, in their political theory course, lectures should be connected with the criticism of the erroneous viewpoints of bourgeois liberalization to conduct the education in depth.

The meeting also seriously analyzed some theoretical issues and worked out plans and distributed tasks for writing theoretical articles and compiling propaganda and educational materials. The meeting particularly discussed issues concerning the building of the theoretical contingent in the Army and the professional and ideological development of theoretical personnel.

Those attending the meeting included directors of the theoretical research offices of all major Army units and responsible comrades of the theoretical teaching and research sections of the National Defense University and some political colleges. Before the meeting ended, Comrade Zhou Keyu made a speech.

WAN LI, HU QILI AT BEIJING COMMENDATION MEETING

OW100227 Beijing XINHUA Domestic Service in Chinese 1448 GMT 9 Mar 87

[By reporter Yan Zhenguo]

[Excerpts] Beijing, 9 Mar (XINHUA) — Wan Li, Hu Qili, and other party and state leaders gladly attended a meeting this afternoon to commend advanced units and activists that had distinguished themselves in planting trees and beautifying their environments. The meeting was held at the Great Hall of the People of Beijing. [passage omitted] Chen Xitong, chairman of the Capital Greening Committee and mayor of Beijing Municipality, presided over today's meeting. It was attended by Huang Huoqing, Liao Hansheng, Yang Chengwu, Yang Zhong, Ye Rutang, He Qizong, Rong Gaotang, Li Ximing, and Wang Xian, as well as more than 600 cadres of departments directly under the CPC Central Committee, central state organs, PLA units stationed in the capital, and Beijing Municipality and people in the municipality. Huang Chao, vice chairman of the Capital Greening Committee and vice mayor of Beijing Municipality, addressed the meeting. [passage omitted]

CHEN GUANGYI ADDRESSES FUJIAN MAYORS' MEETING

OMO91026 Fuzhou FUJIAN RIBAO in Chinese 26 Feb 87 pp 1, 4

[Excerpts] A Fujian provincial meeting of prefectural commissioners and city mayors closed in Fuzhou on 24 February. The meeting began on 20 February. Its main topic of discussion was how to implement the central guidelines and launch a campaign to increase production and income, practice economy, and reduce spending. Chen Guangyi, secretary of the Fujian Provincial CPC Committee, attended and addressed the closing session of the meeting. Comrade Chen Guangyi discussed four questions:

1. Fully Understand the Great Importance and Far-Reaching Significance of the Campaign To Increase Production and Income, Practice Economy, and Reduce Spending [subhead]

Chen Guangyi said: It is of great strategic significance that the party Central Committee has made the campaign to increase production and income, practice economy, and reduce spending and the struggle against bourgeois liberalization the two important tasks for this year. The struggle against bourgeois liberalization is being waged to resolve questions concerning our basic political principles and orientation. The campaign to increase production and income, practice economy, and reduce spending is being launched to further clarify our guiding principle for economic work and place our national economy on the path of long and steady development. [passage omitted]

2. Adopt Effective Measures To Further the Campaign To Increase Production and Income, Practice Economy, and Reduce Spending [subhead]

Chen Guangyi said: [passage omitted] At present, extravagance, waste, and squandering are very serious, and tax evasion is nothing new in some localities and organizations. Two instances may be cited. One is that we could have saved several million yuan last year if we had cut spending for meetings in the province by 30 percent. The other is that a spot check on enterprises last year showed that 70 of them were guilty of tax evasion to one degree or another, and the province could have received 100-200 million yuan more in revenue if those instances of tax evasion had been prevented. [passage omitted]

3. The Key Lies in Persisting In and Furthering Reforms [subhead]

Chen Guangyi said: To further reforms is an important task in economic work, as well as a fundamental way to increase production and practice economy. [passage omitted]

On rural reforms, Chen Guangyi said: At present, we should concentrate on publicizing and implementing the documents issued by the central authorities on furthering rural reforms, so that central guidelines are known to the broad masses and to every family. Since the central documents were issued, most cadres and masses have been reassured. However, some people have not yet completely eliminated their misgivings. They are concerned about whether the policies will change, the cadres will change, and a political movement will be launched. We should unequivocally tell the cadres and people that the struggle against bourgeois liberalization will not be waged in rural areas, the policy of invigorating the domestic economy will remain unchanged, we will not launch any political movements, and leading cadres at various levels will not change. [passage omitted]

4. Carry Out Universal Education on the Line Laid Down Since the 3d Plenary Session of the 11th CPC Central Committee [subhead]

Chen Guangyi said: [passage omitted] We should organize the cadres and masses to study the communique of the enlarged meeting of the central Political Bureau; other central documents; Comrade Deng Xiaoping's expositions on adhering to the four cardinal principles and the policies of reform, opening to the outside world, and invigorating the domestic economy; the "Selected Works of Deng Xiaoping"; and Comrade Zhao Ziyang's speech at the Spring Festival party. These are materials for a practical education in Marxism. [passage omitted]

In conclusion, Comrade Chen Guangyi said: Our economic tasks this year are very arduous and we should strive to make a good start. At present, spring droughts and electric power shortages have caused difficulties in industrial production. Everyone should pay attention to this situation. [passage omitted]

FOOD MARKET IN NANCHANG DECLARED BANKRUPT

OW081124 Beijing XINHUA in English 0652 GMT 8 Mar 87

[Text] Nanchang, March 8 (XINHUA) -- An underground food market in Nanchang, capital of central China's Jiangxi Province, was declared bankrupt Saturday for being unable to pay its mounting debt, according to the local Intermediate People's Court which handled the case.

The license of the food market was revoked by the city's administration for industry and commerce. The leadership was dissolved and shop assistants began to receive unemployment pay while looking for jobs.

The market will be reorganized by the debtors and leased to bidders, according to the court ruling.

The food market suffered an accumulated loss of 873,000 yuan and owed a total debt of 1.64 million yuan and arrears of taxes due to the state amounted to 5,396 yuan while its existing assets amounted to only 778,000 yuan.

The failure of the shop was ascribed to faulty policy making and mismanagement, which led to blind procurement and stockpiling of unsalable goods.

SHANDONG SECRETARY SPEAKS ABOUT LEGAL EDUCATION

SK090558 Jinan Shandong Provincial Service in Mandarin 2300 GMT 7 Mar 87

[Text] We should conscientiously study and implement the NPC Standing Committee decision on intensifying legal education to maintain stability and unity, and conduct extensive and in-depth legal education with the focus on the Constitution. This is an important task set forth at the second provincial meeting on legal propaganda and education, which concluded in Jinan on the afternoon of 7 March. Liang Buting, secretary of the provincial party committee, put forward explicit requirements on how to make this meeting successful and strengthen the legal system and legal education throughout the province. Lu Maozeng, deputy secretary of the provincial party committee, delivered a speech entitled "Continuously Enhance Understanding, Conscientiously Strengthen Leadership, and Deepen the Legal Education Focusing on the Constitution."

Jiang Chunyun, deputy secretary of the provincial party committee, presided over the meeting and also gave a speech. Li Zhen, chairman of the provincial People's Congress Standing Committee, relayed the guidelines of the 19th Standing Committee meeting of the 6th NPC.

The meeting noted: The NPC Standing Committee decision reaffirms the four cardinal principles, and expounds the far-reaching significance in intensifying legal education and safeguarding the political situation of stability and unity. Successfully conducting legal education focusing on the Constitution among all the people in line with guidelines of the decision is an important part of the endeavor to carry on a thorough and healthy struggle to uphold the four cardinal principles and oppose bourgeois liberalism, the fundamental policy principle, and the fundamental political orientation for doing the work in various fields; it is also an important measure for extensively strengthening the unity of the whole party and the whole people based on the four cardinal principles. We should understand this issue from the perspective of the strategic importance and the overall interests, and regard the study, publicity, and implementation of the decision as a key part of this year's legal education, and grasp it firmly and successfully.

The meeting called on party and government leaders at all levels to fully understand the extreme importance of the work to popularize legal knowledge, and be determined to overcome the one-sided view of stressing production to the neglect of the legal system, stressing policies to the neglect of laws, stressing attacks to the neglect of prevention, and stressing punishments to the neglect of education. Based on actual conditions, we should closely connect the study of laws with the implementation of them so that the people will enhance their sense of respect for laws and establish a habit of acting according to law in the course of studying and applying laws, learn to safeguard their legal rights and interests with laws as a weapon, and actively struggle against law and discipline violations.

The meeting emphasized: Party committees at all levels should put improvement of the legal system high on their agenda as they do development. Party committees, people's congresses, and governments should exercise unified leadership, and all quarters of society and all departments should exert concerted efforts to carry out the legal education in a systematic manner and at regular intervals, and push it to a new stage.

LIANG BUTING NOTES SHANDONG'S GRASS-ROOTS WORK

SK090230 Jinan Shandong Provincial Service in Mandarin 2300 GMT 7 Mar 87

[Text] Liang Buting, secretary of the provincial party committee, and Li Changan, provincial governor, who was attending an on-the-spot meeting on the economic development of western and northern Shandong, called together the cadres of the provincial organs, who had been sent to Heze Prefecture for training, to a forum to discuss how to make a success of the work directly related to these cadres, and how to accelerate the development and construction of Heze Prefecture. (Zhang Shoufu), secretary of the Heze Prefectural party committee, was present at the forum.

At the beginning of the forum, the cadres gave reports on what they had learned and experienced from working at the grass-root, and offered many good suggestions on how to expedite the economic development and construction of Heze Prefecture. Comrade Liang Buting said: Sending cadres of the provincial organs to the grass-roots for training is a good method to train cadres, and should be adhered to. One year may be a little short, but two years will be enough. This is like opening postgraduate classes, which should be continued and be kept relatively regular. This method is very beneficial to the growth of cadres.

Based on the actual conditions of Heze Prefecture, Comrade Liang Buting discussed with the cadres in detail the issue of accelerating economic development. He said: [sentence indistinct] However, the Heze prefectural party committee has explored a way of economic development. Judging from the present situation, the major work is to successfully implement party policies, mobilize the initiative of all levels, and enable them to play their role on a long-term basis. We should develop energy industry on a priority basis. For this purpose, we should greatly advocate developing small thermal power stations, which is a shortcut to promoting township enterprises. New plants to process farm and sideline products should be built mainly in raw material growing areas, and old ones should also be transferred to such areas as much as possible. [words indistinct] take their own ways based on their actual conditions. It will not benefit Heze to mechanically copy to examples of Jiaodong or southern Jiangsu. It can only take its own way. With abundant resources in farming, forestry, and animal husbandry, Heze Prefecture can lay a solid foundation and gain momentum only by making use of local resources to develop township enterprises. It should adopt a higher starting point and broader field of vision in this regard.

Comrade Li Changan said: Sending cadres to the grass-roots for training is very beneficial to improving the work styles of organs, strengthening the ties between leading organs and the grass-roots, and exercising correct policy decision on the part of leading persons. Some of you will complete the training soon. If you have any opinions and suggestions, let us have a good talk after you return to your post so that the method of sending cadres to the grass-roots for training can be continuously consolidated and improved.

SHANGHAI MAYOR STRESSES CHINESE-STYLE SOCIALISM

OW080945 Shanghai City Service in Mandarin 0100 GMT 7 Mar 87

[Text] Yesterday morning the Shanghai Municipal CPC Committee held a study and report meeting attended by cadres with party membership. Jiang Zemin, deputy secretary of the municipal party committee and mayor of the municipality, delivered a report, entitled: Look Back at Shanghai's Development and Keep to the Socialist Road With Chinese Characteristics.

Yesterday's meeting was the third in a series of study and report meetings sponsored by the municipal party committee aimed at educating cadres with party membership in the municipality to enable them to uphold the four cardinal principles and persist in conducting reform, opening to the outside world, and invigorating the domestic economy. In his 3-hour report, Jiang Zemin cited abundant historical materials and reviewed three periods in Shanghai's development, each with its historical characteristic, namely the period around the 1930's, the period of the 1950's, and the period of the 1980's. He compared the changes in Shanghai's development in these three periods and pointed out: Historical experience tells us that the capitalist road is unfeasible in China. We must march forward unswervingly along the road of Chinese-style socialism.

Recently some comrades said that the present four modernizations program requires the study of professional knowledge in various specialized fields as well as modern importance of studying Marxist-Leninist theory. Jiang Zemin answered this question by talking about the sense of historical mission and responsibility. He said: Marxist theory has never been a dogma, but a guide for action.

To keep to the socialist direction in conducting reform, remain sober-minded in opening to the outside world, persist in party spirit in invigorating the domestic economy, and avoid losing our bearings in the complicated struggle, we must have a still better grasp of basic Marxist principles and raise our ability to use basic Marxist principles and methods for solving practical questions. To develop Shanghai and make it prosperous is a very complex systems engineering task. If we want to properly handle the relationships in various fields, overcome the lopsidedness and metaphysical phenomena that may appear in our work, and make sound and steady advance in the construction of Shanghai, we must grasp and apply dialectics. In the meantime, we must acquire specialized knowledge. With Marxism and specialized knowledge, we will be wise, intelligent, and competent.

In addition, Jiang Zemin's report put special emphasis on the need to promote the spirit of plain living and hard struggle at present and stressed that we are pinning hopes on the younger generation for Shanghai's development in the future. He said: We are full of confidence in Shanghai's future. However, pioneering work is always hard, and we face heavy tasks and have a long way to go. We will surely experience setbacks in our course of advance. All party members, CYL members, and the masses of people should have a sense of historical mission and responsibility. In particular, cadres and youths should strive to improve themselves, unrelentingly implement the Marxist line laid down at the 3d Plenary Session of the 11th CPC Central Committee, and work hard to accelerate Shanghai's development.

The meeting was presided over by Wu Bangguo, deputy secretary of the municipal party committee. Attending the meeting were some 1,800 responsible cadres who are party members, including Zeng Qinghong, deputy secretary of the municipal party committee, as well as some students of the party school.

WANG FANG ADDRESSES ZHEJIANG CPPCC FORUM

OM060955 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 5 Mar 87

[Text] A provincial conference on united front and CPPCC work was held in Hangzhou from 1 to 5 March. Wang Fang, secretary of the provincial party committee, gave a report. Li Ding, deputy director of the United Front Work Department of the CPC Central Committee, addressed the conference. Wu Yaomin, director of the United Front Work Department of the provincial party committee, relayed the guidelines of the national united front work conference. The speakers expounded on the CPPCC's role and united front tasks in the current situation. Some 20 other comrades also spoke at the conference.

Toward the end of the conference, Wang Jiayang, chairman of the provincial CPPCC Committee, spoke. He said: The CPC Central Committee has called for carrying out two major tasks this year. One is curbing overexpansion and launching activities of increasing production, practicing economy, raising revenues, and reducing expenditures in the economic field. The other is upholding the four cardinal principles and firmly opposing bourgeois liberalization. Our CPPCC work should be conducted toward accomplishing these two major tasks. Wang Jiayang asked CPPCC committees at all levels to organize members, democratic parties, and people of various social circles to study seriously Marxism-Leninism-Mao Zedong Thought and relevant CPC Central Committee documents. He urged them to faithfully perform their functions in political consultation and democratic supervision and to make the CPPCC a reservoir of talented people so as to contribute to socialist material and spiritual civilization. He also asked them to assist CPC committees at the various levels in carrying out this year's reorganization of city and county CPPCC committees.

Comrade Wu Yaomin presided over today's conference, and spoke on the question of conducting united front work overseas.

GUANGXI MEETING CRITICIZES LIBERALIZATION

HK070352 Nanning Guangxi Regional Service in Mandarin 1030 GMT 6 Mar 87

[Excerpts] From 28 February to 4 March, a study and report meeting of leading comrades on the region's ideological front was held under the auspices of the regional party committee Propaganda Department. The participants included the principal leaders in the regional propaganda, theory, literature and art, education, journalism, and publishing units, together with directors of prefectural and city party committee propaganda departments. The meeting focused on studying the central documents on upholding the four cardinal principles and opposing bourgeois liberalization and the important speeches of leading central comrades. [passage omitted]

Hou Depeng, member of the Standing Committee of the regional party committee and director of the Propaganda Department, presided at the meeting. Jin Baosheng and Li Zhenqian, deputy secretaries of the regional party committee, made speeches.

Since the struggle against bourgeois liberalization was launched, the party organizations and party members in the units on the region's ideological front have seriously studied the series of important expositions given by the CPC Central Committee, and especially by Comrade Deng Xiaoping representing the collective of the central Standing Committee, since the 3d Plenary Session of the 11th CPC Central Committee on upholding the four cardinal principles and opposing bourgeois liberalization. They have also studied the recent series of important central documents. In their study, in close connection with the situation on the entire ideological front and in their units, they have reviewed propaganda and media work in recent years, analyzed the existing problems, and summed up the experiences and lessons. [passage omitted]

They said: The main current on the ideological front is good. However, there are also problems of weakness, looseness, and ideological confusion. We must not underestimate the effects of the ideological trend of bourgeois liberalization.

They said: In the next stage, we must resolutely act according to the spirit of the central documents and the specific arrangements of the regional party committee in deepening our studies and resolving the problems of weakness, looseness, and ideological confusion. We must further enhance consciousness in upholding the four cardinal principles and opposing bourgeois liberalization. [passage omitted]

In a speech on 4 March, Jin Baosheng put forward the following demands on current propaganda work: 1) The journalism and media position must have a clear picture of the guiding idea and maintain a correct ideological and political orientation. This position must truly become the mouthpiece of the party and people and unconditionally publicize the party's line, principles, and policies. It is essential to strictly adhere to the party's propaganda discipline; 2) it is necessary to publicize the excellent situation in Guangxi since the 3d Plenary Session of the 11th CPC Central Committee and apply the method of recollection and comparison in conducting education in the situation. This is an expression of upholding the four cardinal principles and upholding party leadership.

It is necessary to conduct propaganda in discipline and the legal system and to conduct education in totally negating the Cultural Revolution. We must resolutely preserve the fruits of the work of dealing with problems left over from the Cultural Revolution.

We must publicize the party's nationality policies and further strengthen nationality solidarity in Guangxi.

In his speech, Comrade Li Zhenqian stressed that it is essential to profoundly understand the importance and long-term nature of the struggle against bourgeois liberalization, correct muddled thinking, and spontaneously plunge into this struggle. [passage omitted]

He said: The propaganda, theory, literature and art, journalism, publishing, radio and television, and other departments must make specific arrangements, according to their own characteristics, regarding the question of how to carry out positive education. These departments must persistently put social benefit in first place. They must certainly not relax social benefit for the sake of making money. It is essential to unswervingly implement the double hundred principle, and further promote the prosperity of science and art. [passage omitted]

HAINAN CADRE CONFERENCE CONCLUDES 5 MAR

HK060241 Haikou Hainan Island Service in Mandarin 1100 GMT 5 Mar 87

[Excerpts] The Hainan regional conference of cadres at three levels concluded today. The meeting demanded that all localities further implement central Document No 5, deepen the rural reforms, and vigorously develop rural commodity production. At the same time, it is necessary to launch an extensive drive to increase production and practice economy and increase revenue and economize expenditure, to promote sustained, steady, and coordinated development of the region's economy.

Regional party committee and government leaders Yao Wenxu, Meng Qingping, Wang Yefang, Wei Zefang, Dong Fanyuan, Pan Qiongxiang, Tao Wenhua, (Fang Shaohung), (Chen Shuhou), and (Chen Qiuxi) attended the meeting today. Comrade Yao Wenxu delivered a summation. [passage omitted]

The participants seriously studied central Document No 5 and the relevant instructions of the provincial party committee. They reviewed rural economic work in 1986, summed up and exchanged experiences, and looked into this year's tasks. The focus of their discussions was on the questions of how to stabilize the sown areas of grain and sugarcane and raise their yields, vigorously develop township and town enterprises, reform the rural financial setup, and launch the drive to increase production and practice economy and increase revenue and economize expenditure. [passage omitted]

In his summation report, Comrade Yao Wenxu called on all localities to further implement this year's central Document No 5, and the spirit of the national party rectification conference, the provincial conference of mayors and prefectural commissioners, and the provincial party committee forum on rural reforms. They should speed up the development of rural commodity economy and resolutely fulfill the task of increasing revenue and practicing economizing expenditure assigned by the provincial authorities.

Yao Wenxu stressed correctly understanding and handling the relationship between deepening rural reforms and developing rural commodity economy, and between doing a good job in grain and sugarcane production and developing other production. [passage omitted]

Yao Wenxu said: Deepening the rural reforms is the motivating force in developing rural commodity economy. We must eliminate the erroneous idea of regarding the reforms as a soft task and only working at production and failing to grasp reform. We must resolutely make a success of all reforms in accordance with the four cardinal principle⁴. In particular, we must do a good job in reforming the financial and supply and marketing systems, to create favorable conditions for rural economic development.

Yao Wenxu stressed: We must unswervingly implement the principle of actively promoting diversification without the slightest slackening of grain production. Grain is even more important as far as Hainan is concerned. By making a success of grain production, we can take still fuller advantage of Hainan's three big strong points. We cannot simply exercise general leadership over grain production; we must formulate and firm up specific production measures, and do everything possible to improve the yields. Outflow of grain is forbidden. We must study the grain policies and encourage the peasants to develop grain production and strive to achieve regional self-sufficiency in grain at an early date.

We must fully understand the important role of sugarcane production in Hainan's economic construction, and establish the viewpoint of making more contributions to the state. We must work hard to boost sugarcane production to ensure that our refineries have enough to do and to stimulate the development of Hainan's sugar industry.

Comrade Yao Wenxu pointed out: We must speed up the development pace of the township and town processing industries. We must eliminate the erroneous idea of being unable to run big undertakings and despising small ones. We must base our efforts on local resources and aim at the island, national, and international markets in establishing township and town processing industries. Such industries should be run by townships, villages, households, or combinations of households, with the stress on the latter two. Thus we should bring about a relatively great development of the region's township and town processing industries within quite short a time. [passage omitted]

HENAN PARTY MEMBERS RECEIVE MARXIST EDUCATION

OWO31135 Beijing XINHUA Domestic Service in Chinese 0004 GMT 2 Mar 87

[Text] Zhengzhou, 2 Mar (XINHUA) -- The Henan Provincial CPC Committee has been conducting education on the basic theories of Marxism among party members. More than 1.6 million party members are currently attending classes to study the history of the Communist Party of China. This figure accounts for more than two-thirds of the total number of party members in the entire province.

In the course of carrying out party rectification and by educating party members and checking their ideological and political awareness, the Henan provincial party committee discovered that over half of the 2.4 million party members in the province were those who joined the party during the "Great Cultural Revolution" or in the past 10 years, and that most of them had not received systematic education in the basic theories of Marxism. Moreover, in the absence of frequent, universal, and systematic education among party members in the past, a considerable number of them did not understand Marxism very well. This affected, to a certain extent, the consciousness of some comrades in upholding the four cardinal principles and in implementing the line, principles, and policies pursued since the 3d Plenary Session of the 11th CPC Central Committee.

To enhance the ideological and political consciousness of the masses of party members, the Henan provincial party committee decided to devote 3 years to a universal and systematic education in the basic theories of Marxism, a basic knowledge about the party, and fine traditions of the party among the party members throughout the province. They were organized in 1986 to begin studying the history of the communist Party of China, party building in the new period, and the basic theories of Marxism. Classes for party members to study the history of the party have been run in various areas of the province since last spring.

Those who took part in the study of the history of the party organized by the Henan provincial party committee were mainly workers, peasants, party members among the grass-roots cadres, and the new party members of units at and above the county level. To improve leadership in organizing the study, various counties and townships and towns formed leading groups consisting of the principal members of party committees to take charge of the study in coordination with propaganda, organizational, and discipline inspection departments. The provincial party committee Propaganda Department and some prefectural and city party committees had also compiled some reference material to facilitate the study. In the course of study various units adopted a variety of flexible study methods. Centralized guidance as well as decentralized self-study was adopted in the countryside, while industrial enterprises in urban areas relied mainly on the method of studying on a rotational basis. The students were either divorced from production of party divorced from production. In government offices classes were organized for party members on party day. In schools students studied party history in the party course period. Some units organized the study according to age and educational levels. In the course of the study, Kaifeng City and the Zhengzhou Railway Bureau organized such activities as party history report meetings and quizzes on party history. In the countryside some veteran party members who had not received much education took their lessons home and asked their children or grandchildren to read them for them.

In the course of the study, party members in many areas and units in Henan Province gained a better understanding of the party's principles and policies pursued since the 3d Plenary Session of the 11th CPC Central Committee, after reviewing the party's past experiences and lessons. In the course of the study, the party organizations of many units led party members to make self-criticism after finding out the disparity by comparing their actions and thinking with the party's fine traditions and the heroic deeds of the revolutionary martyrs. In the course of the study, many party organizations organized party members to take part in studying party history, discussing party traditions, adding luster to the party flag, and other activities. As a result, many advanced elements who worked selflessly for the common good took pleasure in helping others and resisted unhealthy trends that had emerged among the party members.

According to a source, the majority of party organizations in various areas in Henan Province have completed the task of studying party history and are about to begin studying the contents of party building in the new period.

HEBEI SECRETARY AT UNITED FRONT CONFERENCE

SK070918 Shijiazhuang HEBEI RIBAO in Chinese 26 Feb 87 pp 1, 2

[Excerpts] The united front work conference of the Hebei Provincial CPC Committee opened in Shijiazhuang on 25 February. On the basis of summing up the province's united front work done over the past few years, the conference studied measures for implementing the guidelines of the relevant important instructions of the central authorities and the guidelines of the National United Front Work Conference, and arranged the work for the future.

Attending the conference were leading comrades Xing Chongzhi, Li Wenshan, Yue Qifeng, Lu Chuanzan, Sun Guoshi, and Yin Zhe. Comrade Yue Qifeng presided over the conference. Comrade Xing Chongzhi made a speech. Comrade Li Wenshan relayed the guidelines of the National United Front Work Conference.

On behalf of the provincial party committee, Comrade Lu Chuanzan made a speech. He emphatically spoke on three issues:

1. Adhere to the Four Cardinal Principles, and Consolidate and Develop the Excellent Situation in the Province's United Front Work [subhead]

Since the 1982 provincial united front work conference, our province has made great progress in the united front work and has further pioneered new ways for serving the two civilizations. A historical transition in both guiding ideology and practice has been realized from taking class struggle as the key link to serving socialist modernization. The party principles for "long-term coexistence and mutual supervision" and "treating each other with all sincerity and sharing weal and woe" have further taken root in the hearts of the people, and have conscientiously been implemented in the course of practical work. The party's unity and cooperation with all democratic parties, nonparty personages, minorities, people of religious circles, and patriotic personages have been further enhanced. Our provincial patriotic united front has ceaselessly been consolidated and developed thanks to the fact that the party committees and united front departments at all levels conscientiously implemented the party's policies set forth in the new situation with regard to the united front work, intellectuals, affairs of Overseas Chinese, nationalities, and religion; paid attention to strengthening the study, propaganda, and education of theoretical policies for the united front; and further aroused the enthusiasm of people in all circles of society. In order to promote the reunification of the motherland, the united front work department has made new contributions to safeguarding and developing the province's political situation characterized by stability and unity, promoting the building of the province's two civilizations and the development of the overall reform, consolidating the people's democratic dictatorship, developing the work of keeping in touch with the people residing abroad. Generally speaking, the situation in the province's united front work is good. The current situation in the united front is one of the best since the founding of the PRC. There are many reasons for scoring such good achievements. In short, we should attribute the achievements to the fact that we have conscientiously implemented the party's principles and policies for the united front work on the premise of adhering to the four cardinal principles. [passage omitted]

2. Further Do "Service in Three Fields" in Line With the General Objective [subhead]

The work tasks for the patriotic united front at present are as follows: Regard reunifying the motherland and rejuvenating China as the general objective to unite the people of all nationalities throughout the nation, all democratic parties, relevant mass organizations, nonparty people, and several tens of millions of compatriots in Taiwan, Hong Kong and Macao, and Overseas Chinese to enthusiastically promote the implementation of the "one country, two systems" policy in an effort to serve the reunification of the motherland. Carry forward the tradition of the patriotic front and intellectual advantages to serve the development of reform and opening to the outside world and the building of socialist material and spiritual civilizations. Perfect and develop cooperation between various parties under the leadership of the CPC to serve the development of socialist democracy and legality. Efforts must be made to make the work in these three fields be closely adapted to and promote each other. [passage omitted]

3. Party Committees Should Strengthen Leadership Over United Front Work To Ensure the Smooth Progress of United Front Work [subhead]

Persisting in the party's leadership over the work of the united front is the summation of historical experiences, a requirement for the development of the situation, and an unshakable basic principle. At present, we must emphatically grasp the following few tasks.

First, we should conscientiously study and extensively disseminate theoretical policies of the united front under the new situation. [passage omitted]

Second, we should carry forward the fine tradition in which principal leading comrades of the party committees grasp united front work and the entire party engages in the united front work. [passage omitted]

Third, united front work departments should conscientiously grasp organizational construction and ideological improvement. [passage omitted]

Comrade Xing Chongzhi made an impromptu speech. He pointed out: This is an important conference. Successfully convening this conference is of great significance in mobilizing the forces of all fronts to fulfill the two great tasks such as opposing bourgeois liberalism and correcting political orientation, and ensuring a sustained and stable development of the economy through increasing production, practicing economy, increasing revenue, and reducing expenditures. He called on participants to speak freely in line with the guidelines of the instructions of the central authorities, to fully carry forward democracy, to vividly make studies and discussions, to sum up experiences, to find out what they are short of, and to define the work orientation for the future.

Responsible persons of relevant departments of the United Front Department of the CPC Central Committee attended the conference. Attending the conference were secretaries in charge of united front work from all prefectural and city party committees, directors of prefectural and city united front work departments, and secretaries of party committees and leading party groups of provincial-level units. Responsible persons of democratic parties and relevant mass organizations also attended the conference as observers.

NEI MONGGOL'S SECRETARY NOTES GRASS-ROOTS WORK

SK040800 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 3 Mar 87

[Text] This morning at the Railway Workers' Cultural Palace, the regional party committee and the regional people's government sponsored a summing-up and mobilization rally on sending cadres of the regional-level organs to the countryside.

The rally summed up last year's work and made arrangements for this year's work in sending cadres to the countryside.

Present at the rally were leading cadres of the regional party and government organs, including Zhang Shuguang, Bu He, Zhou Rongchang, Ma Zhenduo, Wen Jing, Liu Yunshan, Bai Junqing, and Zhao Zhihong. Attending the rally were pertinent responsible persons of various departments, commissions, offices, general offices, and bureaus in the region, as well as many office cadres, more than 1,300 people in all.

Last year a total of 79 units under the regional-level organs sent more than 1,200 cadres to 81 grass-roots centers to develop the work of supporting the poor. Various leagues, cities, banners, and counties also sent cadres to the grass-roots units. As a result, all poverty-stricken townships and sumus in the region have been basically provided with cadres to take on the work. Since the beginning of this year, in line with the principle of examining, supervising, supporting, and helping the grass-roots units in their work, the cadres working for the countryside have conducted investigations and study, and have reported many problems to higher authorities, thus providing an important basis for leaders at all levels in the region to expeditiously learn about the situation of the grass-roots units and to effectively study and solve problems of overall importance.

At the same time, cadres working for the countryside have concentrated their energies on helping the poverty-stricken areas to solve their problems in providing the people with adequate food and clothing, in providing sufficient drinking water for the people and animals, in preventing and curing endemic diseases, and on school buildings of various primary and middle schools. As a result, remarkable achievements have been scored in this regard. In addition, various localities have paid special attention to the study of science and technology. Out of the 79 departments and bureaus, more than half of their liaison groups have sponsored various kinds of study classes to train qualified scientists and technicians for the rural and pastoral areas. Various liaison groups have also given training on the central tasks and professional duties, and have done much practical work for developing the banner and county economy. When natural calamities occurred, cadres working for the countryside have positively and voluntarily supported the grass-roots areas to combat disasters, thus making contributions to safeguarding the production and livelihood of the people in disaster areas. Most of the cadres working for the countryside maintain that working in the countryside has helped them to build up physical strength, enhance their abilities, and yield much in ideology and work style.

At this morning's rally, representatives of the general office of the regional party committee, the regional Commerce Department, and the regional Geology and Mining Bureau introduced their experiences.

Comrade Bu He made a mobilization speech on further improving this year's work of sending cadres to the countryside. He said: The major task for work this year is implementing the plan formulated by the regional party committee on invigorating animal husbandry through developing grass and tree-planting industries and the 10-point suggestions for building regional spiritual civilization in 1987 in order to promote the building of the two civilizations. There are four points of specific work for this task. First, we should propagate and implement the pertinent documents of the central authorities and the guidelines of the regional meeting of banner and county party committee secretaries; help various banners, counties, townships, towns, and sumus to formulate plans and measures for invigorating animal husbandry through developing grass and tree-planting industries; and penetratingly carry out reform, discover and foster typical cases, and gain experiences from among grass-roots areas.

Second, we should implement the strategic measure of giving prominence to science and technology, pay attention to the work of supporting the poor through science and technology, and depend on science and technology to tap the great potential of the rural and pastoral areas for developing their economy. Third, we should help various localities develop the banner and county sectors of the economy, with the emphasis on town and township enterprises. Fourth, we should continue to help the poverty-stricken areas solve their problems in food and clothing, in preventing and curing endemic diseases, in drinking water for the people and animals, and in school buildings of primary and middle schools. Comrade Bu He called on leaders at all levels to take the lead in going to the countryside. He said: Those leading cadres in good health, at the age of 50 or younger, and who have never held leading posts at the grass-roots units, should take the lead in working for the countryside. Cadres working for the countryside should set examples in carrying forward the fine tradition of building up the country through thrift and hard work, should go deep into various street corners, households and yurts, and should set examples in abiding by discipline and law.

Comrade Zhang Shuguang spoke at the rally. He encouraged those young comrades who have held leading posts over the past few years to positively go to the grass-roots areas in order to enrich their experiences of grass-roots work and understand how to exercise leadership. Comrade Zhang Shuguang spoke highly of the experience of Tumd Left Banner on developing specialized villages. He called on cadres going to the countryside to express concern over town and township enterprises, and discover problems and sum up experiences in a timely manner in order to promote the development of town and township enterprises, and guide the people to accelerate their pace of becoming prosperous. Comrade Zhang Shuguang urged leading cadres at all levels to try every possible means to spend one-third of their time -- at least one-fourth of their time -- on conducting investigations and studies in the grass-roots areas in order to learn about the real situation and improve their work quality.

Comrade Zhou Rongchang made specific arrangements for work in this regard in 1987.

SHANXI PEOPLE'S CONGRESS SESSION OPENS 9 MAR

HK100121 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 9 Mar 87

[Summary from poor reception] The fifth session of the sixth provincial People's Congress opened in Taiyuan on 9 March. Ruan Bosheng, chairman of the provincial People's Congress Standing Committee, presided at the opening session. Governor Wang Senhao delivered a government work report in which he reviewed the achievements of 1986 and set out the tasks for 1987. Wu Junzhou, chairman of the provincial Planning Commission, reported on the draft provincial economic and social development plan for 1987. The director of the provincial Finance Department reported on the implementation of the 1986 budget and the draft budget for 1987.

The opening of the congress session was attended by provincial party and government leaders including Li Ligong.

LIAONING'S QUAN SHUREN VISITS CONGRESS DEPUTIES

SK030716 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 2 Mar 87

[Excerpts] On the afternoon of 2 March, the leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, and the provincial people's government, including Quan Shuren, Zhang Zhengde, and Li Changchun, respectively went to the Liaoning Building and the Shenyang Guesthouse to visit the deputies to the sixth plenary session of the sixth provincial People's Congress.

Upon arriving at their lodging places, these leading comrades shook hands with the deputies to extend cordial regards and inquired about their working conditions and livelihood. [passage omitted]

Also joining the visiting activities were other leading comrades including Hu Yimin, Zhang Tiejun, Wang Guangzhong, Fu Jingxin, and Sun Qi.

Congress Plenary Session Opens

SK050527 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 3 Mar 87

[Text] The Sixth Plenary Session of the Sixth Liaoning Provincial People's Congress opened at Liaoning People's Theater in Shenyang City at 0900 this morning. More than 853 deputies attending the session will exercise their power given by the Constitution and the law at the 7-day plenary session, examine and discuss various reports, and will put forward some motions and suggestions.

Zhang Zhengde, chairman of the provincial People's Congress Standing Committee, presided over today's session and delivered a speech in which he urged the participating deputies to apply their power of being masters of the country to say all they know and to say all without reserve. He also stated: During the session, efforts should be made to organize or arouse the people of various nationalities throughout the province to uphold the four cardinal principles, to carry forward the spirit of building up the country through thrift and hard work and waging arduous struggle, and to better fulfill the 1987 national economic plan and various working tasks.

At today's session Li Changchun, acting governor of the province, delivered a government work report. Prior to the plenary session, he held a forum participated in by a number of deputies to sincerely solicit their opinions on the work done by the provincial people's government over the past year.

The 1986 plenary session of the provincial People's Congress was also held in March, at which the province's outline of the Seventh 5-Year Plan was discussed and approved and the province's basic guiding ideology and working target during the implementation period of the Seventh 5-Year Plan were defined. The 3 motions that had been approved by the 1986 plenary session and submitted by the session to the provincial People's Congress Standing Congress for examination and approval and 410 suggestions, criticisms, and opinions that had been submitted by the session to the provincial people's government for disposition were all handled before 20 December 1986 and all deputies who had raised these motions, suggestions, criticism, and opinions were informed of the disposition process.

The executive chairmen of today's plenary session were Quan Shuren, Guo Feng, Zhang Zhengde, Li Tao, Sun Qi, Wang Guangzhong, Xie Huangtian, Zhang Tiejun, Lou Erkang, Tang Hongguang, Gu Jingxin, Liu Zenghao, Feng Yousong, and Cui Honghan.

Attending today's session or attending the session as observers were leading comrades from the provincial party committee, the provincial Advisory Commission, and the provincial people's government, including Li Zemin, Hu Yimin, and Zhu Jiazhen.

Also attending the session as observers were Chairman Xu Shaofu, vice chairmen, and all members who are attending the sixth plenary session of the fifth provincial CPPCC Committee; leading comrades from the Shenyang Military Region and the provincial Military District, including Liu Jingsong, Song Keda, and Wang Youhan; and former provincial level leading personnel, including Huang Oudong and Song Li.

Elects Li Changchun Governor

SK100441 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 9 Mar 87

[Text] After successfully fulfilling all items on the agenda, the 7-day Sixth Plenary Session of the Sixth Liaoning Provincial People's Congress ended this afternoon.

The closing ceremony was held at the Liaoning People's Theater in Shenyang. The executive chairmen of today's congress session were Quan Shuren, Guo Feng, Zhang Zhengde, Li Tao, Sun Qi, Wang Guangzhong, Xie Huangtian, Zhang Tiejun, Lou Erkang, Tang Hongguang, Gu Jingxin, Liu Zenghao, Feng Yousong, and Cui Ronghan.

Leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial government, and the provincial CPPCC Committee Li Changchun, Li Zemin, Hu Yimin, and Xu Shaofu, attended the session as observers.

Also attending today's session as observers were Huang Oudong and Song Li, and leading comrades of the Shenyang Military Region and the provincial Military District, including Liu Zhenhua, Liu Dongdan, and Wang Youhan.

The congress session was presided over by Zhang Zhengde, chairman of the provincial People's Congress Standing Committee. Li Changchun was elected governor of the Liaoning Provincial People's Government at the congress session.

Li Changchun made an impromptu speech. He said: It is my honor to be elected governor of the province. I heartily thank the people of various nationalities throughout the province for their great trust in me. Let me extend warm congratulations to the congress for its successful conclusion.

Li Changchun said: In China's socialist construction cause, Liaoning Province has occupied a decisive position. Making Liaoning's work a success is our glorious but arduous task. I will rely on the support and help from all quarters to do a good job in taking over the historical relay baton and to serve as a good public servant of the people.

The congress session adopted a resolution on the provincial government work report, a resolution on the province's Seventh 5-Year Plan and the province's economic and social development plan for this year, a resolution on the reports of the province's 1986 final accounts and 1987 budgetary estimate, a resolution on the provincial People's Congress Standing Committee work report, and a resolution on the work reports of the provincial Higher People's Court and of the provincial People's Procuratorate.

More on New Governor

OWO91629 Beijing XINHUA in English 1621 GMT 9 Mar 87

[Text] Shenyang, March 9 (XINHUA) — Li Changchun, acting governor of Liaoning Province, China's leading heavy industrial center, was elected governor at the annual session of the provincial People's Congress here today.

A native of the port city of Dalian, Li, 43, joined the Chinese Communist Party in 1965 and graduated from the Harbin Polytechnical University in Heilongjiang Province the following year.

He served as a technician, engineer and deputy bureau director in Shenyang, capital of Liaoning Province, mayor of Shenyang and secretary of the Shenyang City party committee. He became acting governor in July last year. He is now also deputy secretary of the Liaoning provincial party committee.

Shenyang, the provincial capital, is one of the pilot cities chosen by the Chinese Government to carry out comprehensive reforms. It is well known for its fruitful experiments in leasing smaller businesses to individuals, opening its money markets and shutting down unprofitable businesses.

LIAONING SECRETARY PROVINCIAL CPPCC SESSION

SK020124 Shenyang Liaoning Provincial Service in Mandarin 1630 GMT 1 Mar 87

[Excerpts] The sixth session of the fifth provincial CPPCC Committee was ceremoniously held in Shenyang on 1 March. This session was held under the situation in which the province's national economy is developing in a sustained, steady, and coordinated manner and in the second year of implementing the Seventh 5-Year Plan. [passage omitted]

The session opened during the majestic national anthem at 0900. A total of 552 members attended the session. Chen Enfeng, vice chairman of the provincial CPPCC Committee, presided over the session. Xu Shaofu, chairman of the provincial CPPCC Committee, delivered the opening speech. Seated on the rostrum were the vice chairmen of the provincial CPPCC Committee, including Zhang Yan, Chen Yanzhi, Niu Pingfu, Yu Jingqing, Liu Mingjiu, Lu Guangji, Gu Xueqiu, Ma Longxiang, Yue Weichun, and Liu Qingkui; and Xu Hongwen, secretary general of the provincial CPPCC Committee. Extending warm greetings at the sessions were Quan Shuren, secretary of the provincial party committee; Song Keda, deputy political commissar of the Shenyang Military Region; leading comrades of the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress, and the provincial government, including Hu Yimin, Zhang Tiejun, Zhu Jiazhen, and Liu Defang; and Wang Youhan, commander of the Liaoning Provincial Military District. [passage omitted]

Yu Jingqing, vice chairman of the provincial CPPCC Committee, delivered a report on the work of the Fifth Liaoning Provincial CPPCC Committee Standing Committee. Niu Pingfu, vice chairman of the provincial CPPCC Committee, delivered a report on the motions work situation since the fifth session of the provincial CPPCC Committee. [passage omitted]

Members participating in the session held on the afternoon of 1 March listened to a special report on the situation and tasks of united front work delivered by Liu Qingkui, vice chairman of the provincial CPPCC Committee and director of the United Front Work Department of the provincial party committee; and a special report on the province's scientific and technological restructuring situation delivered by (Xie Zhong), chairman of the provincial Scientific and Technological Commission.

Session Concludes

SE090224 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 7 Mar 87

[Text] After satisfactorily completing all items on its projected agenda, the sixth session of the fifth provincial CPPCC Committee successfully concluded in Shenyang this afternoon after a 7-day session. The closing ceremony of the session was presided over by Zhang Yan, vice chairman of the provincial CPPCC Committee. Seated on the rostrum were Xu Shaofu, chairman of the provincial CPPCC Committee; Chen Enfeng, Chen Yanzhi, Niu Pingfa, Liu Ningjiu, Lu Guangji, Gu Xueqiu, Ma Longxiang, Yue Weichun, and Liu Qingkui, vice chairmen of the provincial CPPCC Committee; and Xu Hongwen, secretary general of the provincial CPPCC Committee. Wei Zhi, former vice chairman of the provincial CPPCC Committee, also attended the ceremony.

At 1400 this afternoon, the ceremony formally began. At the ceremony, (Zhao Zhongyi) and 20 other members were elected Standing Committee members of the provincial CPPCC Committee. After the election, the newly elected Standing Committee members took their seats on the rostrum amid warm applause.

At the ceremony, the members approved the resolution on the work report of the Standing Committee of the provincial CPPCC Committee and the resolution on the report concerning the motions work since the fifth session of the fifth provincial CPPCC Committee. (Sheng Ping), vice chairman of the Motions Work Committee of the provincial CPPCC Committee, made a report on motions examination during the sixth session of the fifth provincial CPPCC Committee.

Vice Chairman Yue Weichun delivered a speech before the closing ceremony. He said: The current session has been participated in by more members than any other session of the fifth provincial CPPCC Committee. Some 600 members, including old and new ones, have gathered together to discuss party and state political affairs and principles of major importance and major affairs of Liaoning. The session has been held amid a lively atmosphere.

During the session, the members attended as observers the sixth session of the sixth provincial People's Congress, listened to the work report of the provincial people's government and some other reports, and had a conscientious discussion. The members offered some suggestions and opinions on opposing bourgeois liberalism in the political and ideological spheres and on launching the campaign of increasing production and practicing economy and increasing revenues and cutting expenditures in the economic sphere, thus giving full play to their role as a comprehensive talent bank and their functional role in giving political consultations and conducting democratic supervision. Their suggestions and opinions will certainly promote the scientific and democratic nature of policies and decisions and help improve party and government work. This session has once again indicated that the CPPCC has brilliant prospects in the great cause of unifying the motherland and rejuvenating China; and that it has played and will continue to play its great role.

GANSU HOLDS NATIONALITIES COMMISSION MEETING

HK030847 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 2 Mar 87

[Excerpts] A provincial enlarged meeting of directors of nationalities commissions ended today in Lanzhou. The meeting opened on 24 February. Through conveying and implementing the spirit of the national enlarged meeting of directors of nationalities commissions and after listening to speeches delivered by Li Ziqi, secretary of the provincial party committee, Jia Zhijie, governor of the province, and Lu Kejian, deputy secretary of the provincial party committee, participants in the provincial meeting achieved a clearer understanding of the guiding ideology and central task for nationalities work during the new period. [passage omitted]

In his speech on ways to promote nationalities work during the new period, Jia Zhijie said: Our province's tasks of nationalities work are upholding the four cardinal principles, conducting education in the policy toward nationalities and the unity among nationalities, strengthening the unity among nationalities, and quickening the pace of economic development in areas of minority nationalities. We must regard quickening the pace of economic development in areas of minority nationalities as the central task of our nationalities work, and adopt practical and effective measures to assist the masses of minority nationalities in using their superior natural conditions to develop commodity production and in breaking away from poverty and becoming rich as quickly as possible. [passage omitted]

NINGXIA PARTY LEADER ADDRESSES PEOPLE'S CONGRESS

HK080229 Yinchuan Ningxia Regional Service in Mandarin 2300 GMT 7 Mar 87

[Excerpts] The 22d meeting of the 5th regional People's Congress Standing Committee concluded in Yinchuan on 7 March after completing its agenda. Ma Qingnian, chairman of the regional People's Congress Standing Committee, presided. Shen Daren, secretary of the regional party committee, and Bai Lichan, deputy secretary of the regional party committee and acting chairman of the regional government, attended. [passage omitted]

The meeting passed a resolution on seriously studying and resolutely implementing the NPC Standing Committee decision on stepping up legal education and preserving stability and unity.

Comrade Shen Daren spoke on the work tasks for Ningxia this year. He said: This year we must mobilize the people of all nationalities and sectors to work hard to tackle the two major tasks. The People's Congress organizations at all levels and every party member and cadre must fully understand the importance of the struggle to uphold the four cardinal principles and oppose bourgeois liberalization. The people's congresses and their standing committees must take a firm and clear-cut stand in upholding the four cardinal principles and opposing bourgeois liberalization. In addition, under the unified leadership of the party committees at all levels, they should adopt various forms to conduct propaganda and education for the masses in upholding the four cardinal principles and opposing bourgeois liberalization.

In economic work this year, we must base the work on the overall situation, continue to control the size of investment, and mobilize the people of the region to launch an extensive and deep drive to increase production and practice economy and increase revenue and economize expenditure. We must persevere in the principle of reform, opening up, and invigoration.

We must fully comprehend and publicize the NPC Standing Committee decision on stepping up legal education and preserving stability and unity, strengthen the great unity of people of all nationalities and sectors in the region, and develop the political situation of stability and unity.

Regarding the work of the People's Congress in Ningxia, Shen Daren said: We must strengthen People's Congress work and bring into full play the functions of the people's congress standing committees. The people's congresses and their standing committees [words indistinct] must regularly inspect and supervise the implementation of the Constitution and the law. [passage omitted]

SHAANXI PROPAGANDA CHIEF VIEWS TASKS OF MEDIA

HK030315 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 3 Mar 87

[Text] In his speech at the second provincial conference on propaganda and education in the legal system, provincial party committee Propaganda Department Director Mao Shengxian pointed out that journalism workers must correct the guiding ideas on their professional work, clarify incorrect ideas, better implement the party's guidelines for journalism, and ensure a correct political orientation.

On how to correct the guiding ideas on journalism work, Mao Shengxian stressed that journalism units and workers must handle properly the following relationships:

1. Put right the relationship between journalism work and the party. It is necessary to unswervingly uphold the nature and role of newspapers, radio, and television as the party's mouthpiece, unconditionally accept party leadership, and publicize the party line, principles, and policies. It is absolutely forbidden to disseminate ideas and remarks that run counter to the party's ideas. Still less is it permissible to disseminate ideas and remarks that damage and shake the party's leading position and the CPC Central Committee's prestige. At the same time, it is necessary to strengthen and improve the leadership of the party committees over journalism work and attach importance to managing this work.
2. Correctly handle the relationship between providing guidance and stimulating people's interest. No matter what they are publicizing and reporting, our newspapers, radio, television, and publications have the common goal of helping and guiding the readers and the audience to work correctly, think correctly, and live correctly, and to enhance their political and professional qualities and their ideology and ethics. Hence, stimulating people's interest must be under the premise of providing guidance and be subordinate to it. If we one-sidedly stress stimulating people's interest in isolation from providing guidance, we will depart from the program and goals of journalism work and take a wrong orientation.
3. Correctly handle the relationship between publicizing the bright side and exposing the dark side. In our journalism, positive reportage is the main thing and exposure and criticism are supplementary. This is a principle that must be adhered to. Whether in publicizing the bright side or criticizing negative phenomena, we must seek truth from facts and correctly reflect things as they are. We cannot go in for distortion and exaggeration. We must focus on the overall situation and ensure that our work helps to uphold the four cardinal principles, to stimulate reform and opening up, to promote all work, and to spur the unity and progress of the people. We must insist on propaganda discipline, judge the hour and size up the situation, and attach importance to social effect.

4. Correctly handle the relationship between creativity and sense of discipline in journalism work. Through journalism, we should guide public opinion, disseminate scientific truth, and publicize the party line. This cannot be done without great enthusiasm, initiative, and creativity. Creating new things means requiring people to discover and understand the laws of how things develop and to act according to these laws. It certainly does not mean that people can do whatever they like and ignore party discipline. We must therefore adhere to the party's political and propaganda discipline. Journalism must certainly not be regarded as the tool of an individual or of certain journalism workers. Without such ideological awareness, one cannot become a qualified party journalism worker.

5. Correctly view the relationship between veracity and typical examples in journalism work. Our demand on the veracity of news is the concrete expression in journalism work of the party's line of seeking truth from facts. Any false and sham reportage, whatever the reason for it, will do very great harm to the reputation of journalism and the image of the journalism workers. We must summon up resolve to solve this problem in understanding and in management system.

6. Correctly understand the relationship between the rights and obligations of reporters. The party has given reporters the rights to assess society, all aspects of work, and the cadres at all levels, and to criticize all kinds of negative phenomena. However, such assessment and criticism must be guided by the party's line, principles, and policies and the state laws and decrees. It must be based on loving the cadres and masses and promoting the party's cause. Such assessment and criticism is objective, fair, well-intentioned, and truth-seeking, and it serves the people. It is a way in which reporters fulfill their responsibilities. The reporters are first and foremost the servants of the people. They are not special figures overriding everything. Therefore, helping the editors and writers to correctly understand their position, rights, and obligations is a major issue in building the journalism contingent.

Comrade Mao Shengxian said: These issues are fundamental in nature, and we must treat them seriously and carry out deep-going and meticulous work, to bring about a marked improvement in the political and professional qualities of our journalism contingent.

XINJIANG PEOPLE'S CONGRESS SESSION CONCLUDES

HK080201 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 7 Mar 87

[Excerpts] The sixth session of the sixth regional People's Congress concluded today after completing its agenda. The session called on the cadres, workers, peasants, herdsmen, agricultural reclamation workers, intellectuals, the PLA, and the armed police to unite as one under the leadership of the CPC Central Committee, the State Council, and the regional party committee and government, wage arduous struggle, and contribute to the fulfillment of all tasks for 1987.

The executive chairmen at the concluding session included Wang Enmao, Song Hanliang, and Amudong Niyazi. [passage omitted] The session elected (Kuerban Rouzi) president of the regional Higher People's Court. The session then adopted resolutions on the various reports presented. [passage omitted]

COMMENTARIES CRITICIZE SHULTZ VISIT TO PRC

'Blinders' On

OW080102 Taipei International Service in English 0200 GMT 7 Mar 87

[Station commentary: "Shultz in Peking"]

[Text] U.S. Secretary of State George Shultz visited Peking for two days this week for a round of talks that settle down the status of Washington-Peking relations. And as usual Mr Shultz put on his blinders before entering Communist China. That might sound like a rather strong thing to say about a man who has been a longtime friend of the Republic of China on Taiwan. But the facts speak for themselves. Mr Shultz is no different from other high-ranking establishment U.S. officials who treat Communist China nicely with a kowtow here and there.

Mr Shultz has two basic reasons for wanting to visit Peking at this time. First, he wanted to check out how things were going in Peking following the political crisis there in recent weeks. He wanted to make sure Teng Hsiao-ping and other top reformist leaders had survived the ordeal and old guard comeback. Second, Shultz wanted to get some hints from the Chinese Communists about how their relations with Moscow are coming along in the wake of Gorbachev's recent approaches to Peking. The United States is apparently worried about the prospect of improved relations between Peking and Moscow.

According to Mr Shultz, the talks in Peking were reassuring. In a press conference upon his departure from Peking, Secretary Shultz insisted that top leaders in Peking make it clear that economic reforms and the open-door policy would continue unabated by the political troubles. In fact, Shultz quoted Teng Hsiao-ping as saying the troubles were over with and that all was well in Communist China. As if speaking on their behalf, Shultz went on to say that the Chinese Communists know the open-door policy is necessary and that it has produced good results.

Now comes to the part about the blinders. Apparently forgetting where he was or that Mainland China is communist, Shultz remarked that he was impressed by the fact that Mainland China is relying on traditional Chinese values instead of quote-unquote Western ideas to develop. What a whopping ignorance that is!

For starters, the Chinese Communists do not even know what traditional Chinese values are. Mao did his best to destroy these values and the millions of people who held on to them after the communist takeover of Mainland China. What Mr Shultz does not seem to know is that it is still illegal or at least punishable to follow Chinese traditions on the mainland. Second, worse yet, Mr Shultz seems to have forgotten that communism is a Western ideology. By saying that the Chinese Communists won't adopt Western ideas, Shultz, unwillingly or not, exposes elementary contradictions in the way Communist China is viewed today by the West. The worse part is that communism does not belong in China. It has been a dismal and tragic failure and will always be. Most ironical is the fact that communism, a Western ideology, has been the force behind the destruction of traditional Chinese values on the mainland of China.

But Mr Shultz is an intelligent, decent man and good leader. Why he puts the blinders on before entering Communist China each time is beyond anyone. Nothing he said makes sense. And what we would have to believe is that he was just going through the motions, not believing himself in anything he had to say.

Human Rights Issue

OW081431 Taipei International Service in English 0200 GMT 8 Mar 87

[Station commentary: "Mr Shultz in Peking"]

[Text] Yesterday we commented on how U.S. Secretary of State George Shultz seemed to put on blinders before entering Communist China. He visited Peking this week for a round of talks on the status of Washington-Peking relations.

We brought up the issue of blinders upon hearing some of the wild assertions Mr Shultz made about Communist China upon his departure. Among his illusions: Communist China is rejecting Western ideas and using traditional Chinese values to develop. Pardon him for not having any idea what he was talking about: Communism has been used to destroy Chinese values, and communism is a Western ideology. His assertion was a study in contradiction.

Today, our focus turns to the fact that each time a high-ranking U.S. official, such as Mr Shultz, visits Communist China, the issue of human rights never comes up. This time around it is particularly peculiar that the issue of human rights did not come up. It just so happened that Peking is in the process of purging and persecuting intellectuals again. Even as Mr Shultz sat in the Great Hall of the People in Peking, intellectuals were being jailed for daring to speak their minds and criticize the Communist Party.

This silence on the part of U.S. officials has become a real phenomenon in Washington-Peking relations. Administration officials never seem to mention Peking's unparalleled abuses of human rights, and the U.S. Congress spends its time discussing abuses in the Soviet bloc and in free world allies of the United States. Communist China gets off scot-free year in and year out, visit in and visit out. Instead of passing on a few justifiable condemnations of Peking's human rights abuses, Shultz talked about how nice it was that Peking was keeping to its open-door policy.

It seems a serious double standard is at work here. The U.S. never hides its disdain for the Soviet gulag but puts blinders on when confronted with the possibly more sinister gulag system in Communist China. There was talk that Shultz's visit to Peking precedes a trip to Seoul, South Korea. And you will never guess why Mr Shultz is going to Seoul. To dress down the South Korean Government for human rights abuses, (and assert) that blind faith for Communist China's suppressive society, followed by what will probably be another round of nasty condescending condemnations of prosperous South Korea. After all, Shultz is making a special trip to Seoul just for this purpose.

We needn't belabor the obvious hypocrisy. But never mind that South Korea is a showcase of capitalism and free enterprise, and never mind that it is an increasingly pluralistic society on the path toward democracy; that is the prize some countries pay for emulating the United States. The more like the U.S. they become, the more scrutiny and hypocrisy they have to put up with. As one South Korean in Taipei once remarked, we sometime wish we were as totalitarian as Communist North Korea. Then the U.S. would ignore us like it ignores Communist China in your case.

By publicly dressing up Peking and dressing down Seoul, Secretary Shultz lets the world know that hypocritical American double standard on human rights is unfortunately not yet (buried). It is something appalling to most Americans. Just imagine how free Chinese and Koreans feel about it.

U.S.-China Policy

OM091210 Taipei International Service in English 0200 GMT 9 Mar 87

[Station commentary: "Mr Shultz in Peking"]

[Text] On the eve of his departure from Peking, U.S. Secretary of State George Shultz spoke at the banquet on the subject of U.S.-China policy. Shultz reaffirmed that the United States remains fully committed to a one-China policy. He also remarked that this policy remains the cornerstone of Washington's relations with Peking. Mr Shultz reminded his Chinese Communist audience that the U.S. supports a continuing evolutionary process toward a resolution of the Taiwan issue. He said the pace, however, would be up to the Chinese of either side of the Taiwan Strait, and not subject to outside interference.

Mr Shultz reaffirmed the basic tenet of the U.S.-China policy probably because he was asked about his feeling toward the new political development here in the Republic of China on Taiwan. Knowing that the U.S. supports democracy on Taiwan, the Chinese Communists may have asked Shultz if the U.S. equates democracy and independence from historic China for Taiwan. Whatever the question, Secretary Shultz gave a resounding no to this issue.

The Chinese Communists are basically nervous about the growth of an opposition party on Taiwan in which some members spout off about self-determination for Taiwan. Some members of the opposition use this catchword to mean establishment of an independent Republic of Taiwan. Others simply use it as a call for more representative democracy on Taiwan. Both groups make Peking uneasy.

For its part, the government of the Republic of China on Taiwan never retreats from its cornerstone: a one-China policy. On this Taipei and Peking agree. It is probably the only issue they will ever agree on. It is also the issue that separates them. Both sides say there is one China and Taiwan belongs to it, but they can't agree on who legitimately represents China. The agreement between Taipei and Peking that there is only one China and Taiwan is part of it makes life a bit more easy for U.S.-China policymakers. On the other hand, the bone of contention between the Chinese on either side, the issue of sovereignty in China, makes life very difficult for the U.S.

Peking said that the Chinese civil war is over and that it won. It said Taiwan should be under the jurisdiction of Communist China. Taipei countered by saying that the civil war had obviously not seen its conclusion because the government of the Republic of China is alive and very well on Taiwan. This is a reality which can't be ignored. And much to the chagrin of the Chinese Communists, the U.S. does not ignore it.

The spoiler in all this is the handful of native Taiwanese who feel Taiwan should not be considered part of China by anyone. They are secessionists who seek more than just political autonomy for Taiwan vis-a-vis Communist China. They want to establish an independent Taiwan nation. Fortunately, this group remains a very small minority. They are often heard from in Washington but with decreasing effectiveness. As the Republic of China on Taiwan becomes more democratic, the issue of separatism loses its appeal both among Taiwanese and Americans who supported the cause as a way to bring about democracy on Taiwan.

The key point here is that Taiwan is already independent of Communist China. It will never be separate from historic China. There is a difference. And that difference just happens to be what keeps U.S.-China policy, not to mention the peace in the Taiwan Strait, glued together.

CABINET DEFENDS NEW SECURITY LAW TO LEGISLATORS

OW060255 Taipei CNA in English 0234 GMT 6 Mar 87

[Text] Taipei, March (CNA) -- The Cabinet said Thursday that the principal purpose of the proposed National Security Law is to maintain national security and social order after the lifting of the emergency decree. People should neither exaggerate nor distort its significance and function, it added.

In a written response to interpellations by legislator Hsu Jung-shu and former legislator Chiang Peng-chien, the Cabinet said that the restrictions included in the security bill are necessary to counter Chinese Communist infiltration and will not affect the people's basic rights and interests.

Having analyzed conditions at home and abroad, the government realizes that the nation has entered a new situation which requires changes in order to concentrate the strengths of the people in carrying on with its mission of national recovery. Although the Chinese Communist regime has never given up its attempts to invade Taiwan by force, the ROC [Republic of China] Government, in order to ensure the continued development of the nation, has decided to lift the emergency decree after the National Security Law and its enforcement rules have taken effect.

The government will also revoke the administrative orders issued during the emergency period and take other necessary measures to crush Chinese Communist conspiracies. These measures, such as entry and exit controls and restricted access to certain mountain and coastal areas, are very common in democratic countries.

In order to lift the emergency decree earlier, the government has decided to follow the examples of the United States, Japan, West Germany and South Korea in listing all these restrictions in one law instead of enacting many different laws which will require a much longer time, the Cabinet said.

Legislators Discuss Law

OW100249 Taipei CNA in English 0231 GMT 10 Mar 87

[Text] Taipei, March 10 (CNA) -- The National Security Bill entered the final stage of legislative action Monday as it was formally brought up for discussion at a joint meeting of the Legislative Yuan's committees on interior, judicial, and defense affairs. The bill is one of a few draft laws which have drawn wide public attention in recent years. A record 52 legislators have registered to question officials on the bill. Judging from the remarks and reactions of legislators during the first day of questioning, most legislators are in favor of the bill's enactment.

The heads of the three government agencies responsible for the drafting of the bill -- Interior Minister Wu Po-hsiung, Defense Minister Wang Tao-yuan, and Justice Minister Shih Chi-yang -- were summoned to answer the legislator's questions. The conference hall was packed with lawmakers and reporters, an indication that people are extremely concerned over the bill which will closely affect their rights and interests.

Interior Minister Wu, explaining the principles behind the drafting of the bill, told the legislators that the proposed law aims at easing restrictions on people's freedoms while maintaining national security after the lifting of the emergency decree which has been in force since 1949.

The government, having analyzed conditions at home and abroad, believes that the law is necessary to further democracy, uphold the nation's anticommunist policy and to prevent secessionist ideologies from undermining national security. It is by no means "old wine in new bottles," as some people have suggested, he stressed.

Asked about the definition of the "security authorities" stipulated in the proposed law, [the] defense minister said "security authorities" means the Taiwan Garrison Command [TGC], the National Police Administration, the Bureau of Investigation, and the Military Police Command. He denied rumors that the TGC would be disbanded after the lifting of the emergency decree, saying that the TGC is a formal organization set up according to the organic law of the Defense Ministry and is necessary for the maintenance of national security and the prevention of Chinese Communist infiltration.

He said the reason the bill stipulates that civilians will not be subject to trial by military tribunals is to show the government's determination to carry through constitutional rule during the period of communist rebellion.

In order to maintain national security and social order, it is still necessary for security authorities to continue inspecting travellers, goods, planes, and ships at airports and harbors. This, he said, should not be considered a violation of the Constitution.

In answering another interpellation, Justice Minister Shih said the maximum penalty for violating the proposed law is three years imprisonment; in most cases those sentenced to prison terms of less than six months can have their sentence converted to fines. This indicates that the government is sincere in reducing to minimum the restrictions on people's rights and freedoms.

PREMIER YU REJECTS PRC PROPOSAL FOR LINKS

OW090935 Taipei International Service in English 0200 GMT 8 Mar 87

[Text] Premier Yu Kuo-hua of the Republic of China and Interior Minister Wu Po-hsiung reaffirmed the government's policy of rejecting Peking's proposal for postal, commercial, and transportation links, saying that maintaining the policy is essential to national security and social stability. Yu and Wu made the remarks in reply to interpellation by Legislator Hung Chao-nan and Chao Shao-kang.

CHINA POST NOTES GROWING U.S. PROTECTIONISM

OW070519 Taipei CHINA POST in English 3 Mar 87 p 4

[Editorial: "The Bentsen-Danforth Bill"]

[Text] It should be abundantly clear by now that the current U.S. Congress will pass a comprehensive trade bill. What is uncertain is how protectionist the bill will be.

Last year, the Trade and International Economic Policy Reform Act of 1986 (commonly known as the Omnibus Trade Act) was passed by the House. According to this bill, countries with a large trade surplus with the U.S. such as the ROC [Republic of China], Japan, and West Germany would be asked to reduce, starting from 1987, their favorable trade balances by 10 percent each year until such time that the trade balance was not regarded as being excessive.

A year earlier the Jenkins Bill almost became law when President Reagan's veto was narrowly sustained. [paragraph continues]

Both the Omnibus Trade Act and the Jenkins Bill were highly protectionist. Events which have taken place since these two bills seem to have given further impetus to the protectionist movement.

Last year, the Democrats' victories in elections brought more protectionist forces to Congress from Florida, Georgia, North Carolina, and Alabama. The lawmakers from the grain belt, traditionally free traders, have now turned protectionist because of various problems in agriculture. Unemployment rates in their states have remained at high levels of about 7 percent. The U.S. trade deficit still amounts to some U.S. \$170 billion a year and is not expected to decline at any significant rate. The overall economic growth rate in terms of the GNP was only 2.5 percent for 1986 and is widely predicted to be not much higher in 1987. Furthermore, the large increase in imports has affected almost all American industries. So the protectionists have gathered more and more backing in Congress.

To be sure, consumers will suffer greatly from the protectionist measures to cut down imports, but in terms of American politics, the consumers have never been able to convert their large numbers into great political power.

It is widely speculated that the current Congress will pass a bill which will embody the main features of both the Omnibus Trade Act and the Jenkins Bill unless the American trading partners, especially those with a large trade surplus, take bold actions to increase their imports, especially by removing tariff and non-tariff barriers, for only with such bold action from trading partners can it be expected that the Reagan administration will be able to marshal enough political backing to ward off the protectionists.

It is against this background that the Bentsen-Danforth Bill should be noted with care. Senate Finance Committee chairman Lloyd Bentsen (D-Texas) and Senator John Danforth (R-Missouri) outlined their trade bill on Feb 2 and attracted widespread attention. Broadly speaking, the proposed legislation emphasized export expansion and market access rather than restricting imports.

The bill would provide no aid to any specific industry which is fundamentally different from the Jenkins Bill, which sought help specifically for the textile and shoe industries. The new bill would provide relief in the form of quotas or tariffs to import-battered industries if such industries can show improvements in their productivity necessary for them to become competitive. The bill would require the President to consult with Congress on trade talks and require him to take retaliatory actions against those countries employing unfair trading practices. Furthermore, the bill would ask the President to enter talks on exchange rates especially with countries which have a large trade surplus with the U.S., such as South Korea and Hong Kong.

It remains to be seen how the Bentsen-Danforth bill will affect the trade bill which congress is expected to pass eventually, but any legislation that seeks to exploit new markets rather than limit old ones should be carefully watched and welcomed.

PREMIER YU CALLS FOR INCREASED POLICY RESEARCH

OW090937 Taipei Domestic Service in Mandarin 2300 GMT 7 Mar 87

[Text] Premier Yu Kuo-hua instructed the Administrative Research and Evaluation Commission under the Executive Yuan to step up research on forward-looking policy planning in political, social, and educational fields so as to adapt to the future requirement of the country's development.

HONG KONGCHINA WANTS UK ASSURANCE ON SOVEREIGNTY

HK100337 Hong Kong HONGKONG STANDARD in English 10 Mar 87 pp 1, 22

[By David Wong]

[Text] China will seek an assurance from the British Government next week that the provisions in the controversial Colonial Laws Validity Act will not prohibit Beijing from exercising its sovereignty over Hong Kong after 1997.

The STANDARD understands that this topic, classified highly confidential, will be the main item at the coming Sino-British Joint liaison Group (JLG) meeting scheduled for March 17 to 20 in Hong Kong.

Controversy over the Colonial Laws Validity Act has been simmering for several months.

The act, passed in 1865, stipulates that if half of the colonial legislature are elected members, it will become a "representative legislature" which will have full powers to enact laws.

At the same time the STANDARD understands that senior diplomats from both governments will also exchange their views, and differences over political reforms, including the much-debated direct elections in 1988, at next week's meeting.

Government officials have always maintained that when the JLG meets in Hong Kong, it will avoid touching on sensitive issues of political reform to avoid speculation on the part of the population.

But the JLG discussions now under way underline the urgency of the matter, with the planned release of the Green Paper in about two months' time.

This is underscored by the surprise meeting between the British Foreign Secretary, Sir Geoffrey Howe, and the Chinese Foreign Minister, Mr Wu Xueqian, to be held in Switzerland later this month.

Sources said the issue of direct elections will surface at both the JLG talks and in the discussions between Sir Geoffrey and Mr Wu.

"Direct elections is a subject that will certainly surface at the meetings," a source told the STANDARD.

It is understood that both governments have avoided raising the sensitive issue in a formal manner. In fact, the JLG has not discussed political reform since November 1985 when China's representative here, Mr Xu Jiatun, dropped a "bombshell."

Mr Xu the director of XINHUA NEWS AGENCY's Hong Kong branch, accused the British and Hong Kong Governments of breaching the joint agreement on the future of Hong Kong by introducing constitutional changes that deviated from the Joint Declaration.

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The political row set off a "crisis of confidence" resulting in a sharp drop in the stock market index which dipped by more than 40 points in one day, the biggest fall since the Joint Declaration by the two governments in September 1984.

Since then, both sides have refrained from speaking publicly on political reforms for the territory leading up to the transfer of sovereignty in 1997.

Most of the exchanges were conducted by the late Governor Sir Edward Youde, and senior Chinese officials during informal exchanges.

It is not known whether the discussions on political reforms by the JLC signal any major rift between China and Britain over a crucial issue that is related to the planned political review.

This has prompted them to face each other over the negotiating table again before the rift widens.

But all signs indicate that both governments want to reach a compromise before the release of the Green Paper in May 1988.

What both sides really want, sources said, is a convergence of the Basic Law and the political review, of which the Colonial Laws Validity Act could be used as an instrument to promote representative government before the final form of the Green Paper is hammered out.

It is understood that China has become increasingly uneasy over the Colonial Laws Validity Act, its implications on the future transfer of sovereignty and the likelihood of a "fundamental departure" from the present political structure stemming from the act.

After the Legislative Council Powers and Privileges Law was passed in 1985, the proportion of indirectly elected members in the law-making body was boosted to 42 percent through functional constituencies and electoral colleges in September of that year.

As a result, sources observed that the issue revolving around the Colonial Laws Validity Act could be even more important than the much-talked direct elections in 1988 because China is concerned that the territory's political structure would shift from an executive form of government to one centered on the legislature.

"Consequently, the British Government will not be in a position to return the territory to the mainland as a specific administrative region government because the administration, by that time, will already have been handed to the people through such a process of representative government," the sources said.

They explained that this was why the Chinese Government was anxious to clear up the issue because any further injection of elected elements, through direct or indirect elections, could cause a shift in the balance.

Chinese officials have so far refused to discuss the issue publicly. The only hint that it was concerned came from Mr Xu last month when he said the act was an instrument by which the British would establish representative government.

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Top Hong Kong Government officials, however, maintained that laws passed by the representative legislature have to comply with the Acts of Parliament, the Letters Patent and Orders in Council, or the existing law of Hong Kong, according to the Colonial Laws Validity Act.

But Chinese officials have observed privately that the British Government had never declared clearly that the act would, in no way, apply to Hong Kong.

Beijing is insisting on a clear stand from Britain because she does not want to see a legislature-centered government firmly in place before the transfer of sovereignty.

In China's view, a legislature-centered government could hamper it from exercising its sovereignty over the territory after 1997.

MACAO

FINAL TALKS ON FUTURE PLANNED FOR 20 MAR

HK090627 Hong Kong HONGKONG STANDARD in English 9 Mar 87 p 1

[By Leonel Borralho]

[Text] The fourth and final round of talks between China and Portugal on Macao's future will start on March 20 in Beijing, according to O Ching-ping, a member of the Chinese delegation.

Mr O, who is also the managing director of Macao's Nam/Kwong Trading Company, told newsmen the accord between the two groups must be approved by the Chinese People's Congress.

The congress begins meeting in Beijing on March 25.

Portuguese Prime Minister Cavaco E. Silva will later travel to the Chinese capital to sign the agreement.

PRESENT ADMINISTRATION POLICIES ANALYZED

HK080924 Hong Kong SUNDAY STANDARD in English 8 Mar 87 p 4

[By Yan Mei-ning]

[Text] Macao has been unusually quiet for the past month. All the rumors about the instability of the current administration have subsided. Sources told the SUNDAY STANDARD that this is what Portuguese President Mario Soares wants to see for the time being. But major changes in the Macao administration might be expected after the signing of the Sino-Portuguese agreement on the territory's future.

The SUNDAY STANDARD has learnt that the Portuguese President asked the Macao Governor Joaquim F/nto Machado to keep the place calm, at least until the negotiations are over, during their last meeting in Lisbon. Mr Carlos Monjardino and Mr Antonio Vitorino, the two strong men of the President's faction in Dr Machado's cabinet, were also asked to avoid any rows.

As late as early February, newspapers in Macao and back home in Portugal were still filled with reports that Dr Machado was to resign after the signing of the agreement on the enclave's future, despite repeated denials from the President.

"The atmosphere in Macao is at present very calm. everyone is waiting for the signing of the agreement," sources said. But after that, the President will have to think very carefully about what to do with the present Macao administration, and whether it will be able to carry out a smooth transition leading up to the handing over of the territory to China. "There are two choices: either to let the present administration stay on until 1991, or to send in another one," said a source who is very familiar with the running of the Macao Government.

The source said if the President could come to the conclusion that the present administration could cope with the requirements of the transition and Dr Machado's cabinet is willing to stay, then it will stay on until 1991, when the term of the President expires.

"Then in 1991, another administration will be sent in to close the shop," the source said.

Talking to the SUNDAY STANDARD recently at a reception for International Federation of Journalists Asia Pacific Conference delegates in Macao, Mr Monjardino said there was no reason why the present administration should not be able to carry out a smooth transition. Mr Monjardino is the Undersecretary for Finance and Tourism. But some people in Macao dispute this.

"I know that senior aides of the President are not happy with the administration's performance," said a source who has wide contacts with high-ranking politicians in Lisbon.

"The governor has been seen as unable to keep the place and his cabinet under control," the source added.

There have been widespread rumours in Macao that the cabinet is split into two factions, and the strongest man in the government is not the Governor but Mr Monjardino. "Newspapers began to make jokes about the present administration after the Governor told the Portuguese national news agency that Macao is very complex and he finds it difficult to understand."

Yet the Governor again talked of the complexity of the place and its people when the SUNDAY STANDARD asked him for his impressions of Macao after being in office for a year.

"Macao is a small place but very complicated," said Dr Machado.

"When people are widely separated, there are problems. But problems also come up when people are too close," he tried to explain in a philosophical way.

Critics said things appeared to be very complicated because the present administration had never set foot in Macao before they took up the job.

Running Macao turned out to be not at all what they expected. Unlike other colonies where the situation is in essence static and merely needs routine administration, Macao is undergoing rapid changes and there is much that needs to be done.

"To make things worse, they sacked too many people from the outgoing government, which made it difficult to maintain continuity," said one observer. "They are nice people with good intentions, but it is a year since they came in, and still little is known of what they are after. They came at a time when the Portuguese thought that they might stay a bit longer in Macao. So they made too many promises. One even claimed that he would leave Macao from its own runway. But we all know that these big projects are unlikely to be completed by the time the Portuguese administration hands the place back to China. It will be very embarrassing for them if they stay for some years but leave without the projects being completed. Moreover, running a transitional government is different from running a routine colonial government.

"Added to this, most of his cabinet members have other involvements back in Lisbon, and they cannot stay away too long. At least two have expressed their wish to go home soon.

"Mr Monjardino once said he was going to retire at the age of 45 and he is now 44. The other strong man, Mr Vitorino, is himself a National Assembly member and will soon have to prepare for the next election."

Mr Monjardino clarified his preference last week to the SUNDAY STANDARD. He admitted he had mentioned his wish to retire at 45, but that was at a time when he found himself very bored by life in Paris, where he was stationed for 14 years as a banker. He said it did not look possible for him to retire at 45 under the present circumstances. Mr Vitorino was not available for comment.

"The signing of the agreement signifies the end of an era and makes it more appropriate for the present administration to leave," said one source. "The governor can use his health as an excuse."

But sources in Macao said Dr Machado has been on very good terms with the Macanese community. The Macanese -- of mixed Portuguese and Chinese descent -- were vocal in their complaints about the last administration. The Chinese, the majority of the population, are usually very polite about every governor.

"Dr Machado has been putting much emphasis on the Portuguese and the Portuguese citizens. The administration also started to grant subsidies to the local Portuguese papers."

But still, some Macanese think that people with more knowledge should be holding the reins of the Macao Government during the transition period. "Unless the present administration can prove they are willing to devote themselves to the job and are capable of handling the transition, some other people who are prepared to stay through the transition or even beyond should take over," some Macanese said.

A source said there were lots of suitable candidates, including a previous Macao Governor, Colonel Garcia Leandro. Col Leandro, governor in 1974-8, who is at present the senior adviser of the National Defence College, was said to have expressed interest in coming back to the territory. Aged 46, he is much younger than the present governor.

Other candidates mentioned include Lieutenant-General Rocha Vieira, a former public works secretary in Leandro's regime, and now government representative to the Azores. Another presidential campaign assistant during the election, Professor Frausto de Silva, was named as well.

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